

**DEPARTMENT OF ENERGY
NATIONAL NUCLEAR SECURITY ADMINISTRATION
Management and Operation of the Pantex Plant
Request for Proposal (RFP) No. 89233222RNA000004**

Draft RFP Questions & Answers

Answers to relevant questions received in response to NNSA's Draft RFP are included below. NNSA has attempted to group questions by relevant Draft RFP section. Some questions submitted by prospective offerors related to multiple topics; accordingly, prospective offerors should carefully read all responses in this document and not simply rely on topic headings. Finally, please note the answers are provided for the convenience of Offerors, and the final RFP and amendments take precedence over the answers provided herein.

Sections B – H – Part I Schedule

- 1. RFP Vol. I, Section/Part B-2(c) and (d), Title Contract Type and Value, Page No. BH 3-5:** We interpret the “unilateral” language to mean that the fee will be established in accordance with the formula, and that the NNSA will add the fee determined by the formula by unilateral modification. Please confirm that the interpretation noted above is correct, i.e., the intent is to use the formula and fill-ins provided by the Offeror.

ANSWER: The interpretation described in this comment is correct.

- 2. RFP Vol. I, Section/Part B-2(c) and (d), Title Contract Type and Value, Page No. BH 3-5:** Please provide the basis for the 15% reduction for non-fee bearing costs. Currently, we understand that the specified non-fee bearing costs are less than 15%. We suggest that the NNSA consider amending the provision to leave the discussion of how the TAF% is derived in Section L, but use the TAF% fill-ins by the Contractor in Section B.

ANSWER: Please refer to footnote 1 on page 18 of Section L for details regarding the stated exclusion rate.

- 3. Sec B-H - Part I Schedule B-2 Contract Type and Value, Section B - H, Page 2**

Recommendation: It is recommended NNSA consider an additional IDIQ CLIN to allow for currently unplanned or unexpected projects of defined scope and duration on a firm-fixed-price basis which would be issued via discrete SubCLINs. This structure would allow for the placement of maximum risk and full responsibility on the M&O Contractor, as mutually agreed upon with NNSA, in line with future unknown project tasking and budget control needs. While it is understood the IDIQ CLIN might never be utilized in support of the Pantex Plant Management and Operating Contract it is further felt having the flexibility built in at time of competition helps to future proof a long term period of performance.

ANSWER: The Government appreciates the feedback; however, NNSA intends to keep the current CLIN structure in B-2 as is.

4. Section B, Clause B-2 Contract Type and Value: *NNSA is considering a hybrid fee structure consisting of Fixed Fee and Award Fee for Contract Line-Item Number (CLIN) 0002 Management and Operation of the Pantex Plant.*

The hybrid fee structure is greatly appreciated and deemed necessary to fairly compensate M&O entities for the duration of this contract. We believe the award fee portion of this structure incentivizes the workforce to maintain disciplined operations and achieve production goals, but we believe the total award fee ceiling of 3.25% should be re-visited. These two recent DOE-EM production contracts with similar durations have higher award fee percentages:

- Hanford Integrated Tank Disposition Contract: the maximum fee percentage is 8% for this \$45B cost plus award fee type contract with a 10-year base period and a following 5-year option period ending in 2038.
- Portsmouth Decontamination and Decommissioning Contract: the maximum fee percentage is 8% for this \$5.87B cost plus award fee type contract with a 10-year base period and a following 5-year option period ending in 2038.

Given that the Pantex M&O contract has a similar duration and level of importance to these DOE-EM contracts, we suggest that NNSA also allow a higher award fee allocation. We acknowledge that the 3.25% award fee in the DRFP is higher than the fee in the existing coupled Y-12/Pantex M&O contract, but it appears to be diluted. The fee base equation includes a 0.15 adjustment to the numerator that takes away from the slightly increased fee percentage. In addition, incentives paid to Key Personnel are considered unallowable, further diluting the fee as we address in Section 2.4. Non-reimbursable indirect costs, as mentioned in Section 2.3 below, also dilute the available fee. We request the fee percentage be increased to at least 6% in alignment with DOE-EM contracts.

On a related note, Section B-3(e)(vi) is titled “No Draw Dawn” and states that the contractor may not bill any portion of the award fee prior to receipt of the Fee Determination Official’s fee determination letter. This means that, absent a later modification by the Contracting Officer that enables provisional billing, the award fee will be paid in one lump sum at the end of the calendar year (Dec 15 is the stated date by which award fee determination will be made). This is a departure from other M&O contracts (e.g., NNSS M&O, SRS M&O) where provisional billing of award fee is authorized in the contract. The lack of provisional award fee billing dilutes the financial return to contractors by lumping the fee at the end of the year. Because it is very unlikely that any contractor would earn zero award fee, we believe it is appropriate for NNSA to allow provisional billing.

ANSWER: NNSA developed the maximum fee rate in accordance with the provisions in the DOE Fee Policy within the DEAR 970.1504-1-2. No changes to the maximum fee rate will be incorporated into the RFP.

See the response to Question #10 for payment of award provisional fee.

5. Section B, Clause B-2 Contract Type and Value NNSA is considering a hybrid fee structure consisting of Fixed Fee and Award Fee for Contract Line-Item Number (CLIN) 0002 Management and Operation of the Pantex Plant.

We would request that NNSA raise the allowable max fee to a minimum of 5%.

The hybrid fee structure is greatly appreciated and is key for resolving the organizational priority as cited in the EMDI. We see the potential for CLIN 0004 negotiated fee to be useful in incentivizing the M&O for those key projects that impact Pantex's mission. However, the max available fee for CLIN 0002 of 3.25% should be improved to maximize the corporate reach back commitment that is outlined in H-17 Parent Organization(s).

For comparison, the two recent EM-based contracts with similar tenure offered the following:

- Hanford Integrated Tank Disposition Contract: \$45B contract over 10-year base period, with a following 5-year option period ending in 2038. Cost Plus Award Fee structure max fee percentage is 8%.
- Portsmouth Decontamination and Decommissioning: \$5.87B contract over 10-year base period, with a following 5-year option period ending in 2038. Cost Plus Award Fee structure max fee percentage is 8%.

Additionally, contract Section B.2-c details the formula for determining Total Available Fee. The requirement to reduce Fee Base by 0.15 further dilutes the 3.25% max fee allowed.

ANSWER: NNSA developed the maximum fee rate in accordance with the provisions in the DOE Fee Policy within the DEAR 970.1504-1-2. No changes to the maximum fee rate have been incorporated into the RFP.

6. Section B, Clause B-2 Contract Type and Value – NNSA is considering a hybrid fee structure consisting of Fixed Fee and Award Fee for Contract Line-Item Number (CLIN) 0002 Management and Operation of the Pantex Plant

We are supportive of the hybrid fixed and award fee model. However, the low Total Available Fee, even when considering the aggregate value, does not address the fact that the contract value has gone up due the increased mission load. The increase of mission load brings on additional brand and reputational risk. If fee rates do not reflect the level of risk accepted and are not commensurate with mission complexity, this can limit commercial industry competition. The total available fee does not approach the return that is possible in adjacent markets. For example, DoD contracts make use of the Fee Determination Guidelines that allow consideration of risk to increase fees up to about 12% and commonly result in fees of 7 – 9%. Commercial contracts afford even greater opportunities for return on sales with much lower brand risk. In addition, the unintended consequence of reduced fee that will impact all unallowable costs are “funded” by earned fee. As fee is reduced or capped, the contributions and investments in the local communities that have both tangible and intangible benefits and positive impacts to the NNSA mission.

ANSWER: NNSA developed the maximum fee rate in accordance with the provisions in the DOE Fee Policy within the DEAR 970.1504-1-2. No changes to the maximum fee rate will be incorporated into the final RFP.

7. **Section B, Clause B-2 Contract Type and Value** – We commend and fully support the NNSA implementing a hybrid fee structure model consisting of Fixed Fee and Award Fee for Contract Line-Item Number (CLIN) 0002 Management and Operation of the Pantex Plant. However, we would further recommend a Total Fee (Fixed + Award) maximum of 5.0%, with 50% of that being the Fixed Fee portion and 50% for the Award Fee pool. This is a step in aligning to the recommendation in the *A Report of the Enhanced Mission Delivery Initiative* from September 2022 to transition back to the fixed fee contract model.

The above recommendation allows for the Offeror to allocate predictable reinvestment into employee incentives, outreach activities, and other non-billable activities that support the overall stability and performance of the site. During evaluation, NNSA could consider the Offeror's plan for utilization of the base fee to contribute to the success of the program. This construct still allows for a meaningful percentage of fee to be based on a contractor's performance and tied to program objectives at the beginning of each program year or review term.

We would recommend that the Request for Proposals (RFP) have requirements and evaluation criteria of how the Offeror would utilize the base fee to the success of the program (e.g., Workforce Recruitment & Retention, Training, Innovations, etc.).

ANSWER: NNSA appreciates your feedback. NNSA's determination of the Fixed Fee ceiling is consistent with the requirements of DEAR 970.1504-1-6. NNSA determined the current fixed fee and award fee maximums provide a balance of fee stability and performance incentive for the prospective award. NNSA declines the recommendation regarding evaluation criteria.

8. In reviewing the Draft Request for Proposals (Draft RFP) for the Management and Operation of the Pantex Plant we note that *commercial services* like those we offer to our clients could meaningfully benefit the management and operations of the Pantex plant as well. Specifically, the Statement of Work repeatedly emphasizes the NNSA's expectation that the selected M&O partner bring "*commercial best practices and innovative approaches*", "*market-based design concepts*", "*world class [...] practices*", "*[knowledge] leveraged from commercial and government organizations*", and execution of a "*world class project management program*" to this effort.

However, in its current form, the Draft RFP would make it nearly impossible for us to team with an M&O partner to offer a joint approach. This stems mainly from our commercial model which appears to be incompatible with current draft solicitation provisions. Specifically, we are a commercial service provider that serves clients – in both the private or

public sectors – exclusively on a fixed price basis using market rates that are not based on a cost build or direct and indirect rates.

Section B.3.iv however states that fee restrictions for service providers other than small businesses apply unless the commercial service provider is the recipient of a “*competitively awarded firm fixed price subcontract*”. This provision makes it practically impossible for us to be included in a bid team at the RFP-stage and by extension does not allow the NNSA to consider the capabilities or past performance we could contribute to a team when selecting its M&O partner for Pantex.

We would note that the Office of Environmental Management as recently moved away from utilizing contract language like this, recognizing the benefit of attracting new commercial service providers to the Department’s nuclear clean-up missions. **Appendix A** includes a sample of four recent M&O RFPs that serve as examples of alternative language, requiring that the commercial services provider establish that it’s pricing is “*fair and reasonable*.” Such an approach would allow a commercial service provider like us to effectively partner with an experienced M&O partner at the proposal stage and – by extension – for our past performance and unique capabilities to be considered by the NNSA in proposal evaluation.

As such, we would respectfully ask the NNSA to consider adopting the language used in these recent solicitations – specifically the standard of demonstrating “*fair and reasonable*” pricing – in the upcoming Pantex M&O RFP as well.

APPENDIX A: Sample language on use commercial services from recent M&O contract procurements

Example 1: Waste Isolation Pilot Plant (WIPP) [Contract \(July 2022\)](#)

B.6 ALLOWABILITY OF SUBCONTRACTOR FEE

- (a) If the Contractor has formed and performs the Contract as a teaming arrangement, as defined in FAR 9.601(1) and (2), *Contractor Team Arrangement*, the team shall share in the total fee for underlying contract. Separate, additional, subcontractor fee is not an allowable cost for individual team members, or for a subcontractor, supplier, or lower-tier subcontractor that is a wholly-owned, a majority-owned, or an affiliate entity of any team member.
- (b) The subcontractor fee restriction in paragraph (a) above does not apply to members of the Contractor’s team that are: (1) small business(es); (2) Protégé entities as part of an approved Mentor-Protégé relationship identified in the Contractor’s Diversity Plan as per the Section H Clause entitled, DOE-H-2046, *Diversity Program*; (3) subcontractors under a competitively awarded (that is, awarded in a manner that meets all the criteria of full and open competition and results in a reasonable subcontract price) FFP subcontract; or (4) subcontractors providing commercial items as defined in FAR 2.101, *Definitions*, if the subcontract price is fair and reasonable.

Example 2: Portsmouth Decontamination & Decommissioning (D&D) [RFP \(June 2022\)](#)

B.7 Allowability of Subcontractor Fee (Applies to CR Task Orders only)

- (a) If the Contractor has formed and performs the Contract as a teaming arrangement, as defined in FAR 9.601(1) and (2), *Contractor Team Arrangement*, the team shall share in the total fee for underlying Task Orders. Separate, additional, subcontractor fee is not an allowable cost under Task Orders for individual team members, or for a subcontractor, supplier, or lower-tier subcontractor that is a wholly-owned, a majority-owned, or an affiliate entity of any team member.
- (b) The subcontractor fee restriction in paragraph (a) above does not apply to members of the Contractor's team that are: (1) small business(es); (2) Protégé entities as part of an approved Mentor-Protégé relationship identified in the Contractor's Diversity Plan as per the Section H Clause entitled, DOE-H-2046, *Diversity Program*; (3) subcontractors under a competitively awarded (that is, awarded in a manner that meets all the criteria of full and open competition and results in a reasonable subcontract price) FFP subcontract; or (4) subcontractors providing "commercial products" and/or "commercial services" as defined in FAR 2.101, *Definitions*, if the subcontract price is fair and reasonable.

Example 3: Hanford Integrated Tank Disposition Contract (ITDC) [RFP \(October 2021\)](#)

B.7 Allowability of Subcontractor Fee (Applies to CR Task Orders only)

- (a) If the Contractor has formed and performs the Contract as a teaming arrangement, as defined in FAR 9.601(1) and (2), *Contractor Team Arrangement*, the team shall share in the total fee for underlying Task Orders. Separate, additional, subcontractor fee is not an allowable cost under Task Orders for individual team members, or for a subcontractor, supplier, or lower-tier subcontractor that is a wholly-owned, a majority-owned, or an affiliate entity of any team member.
- (b) The subcontractor fee restriction in paragraph (a) above does not apply to members of the Contractor's team that are: (1) small business(es); (2) Protégé entities as part of an approved Mentor-Protégé relationship identified in the Contractor's Diversity Plan as per the Section H Clause entitled, DOE-H-2046, *Diversity Program*; (3) subcontractors under a competitively awarded (that is, awarded in a manner that meets all the criteria of full and open competition and results in a reasonable subcontract price) FFP subcontract; or (4) subcontractors providing commercial items as defined in FAR 2.101, *Definitions*, if the subcontract price is fair and reasonable. The CO has the unilateral discretion to determine whether the subcontract constitutes a "commercial item."

Example 4: Savannah River Site Operations [Draft RFP \(April 2021\)](#)

B.6 ALLOWABILITY OF SUBCONTRACTOR FEE

- (a) If the Contractor has formed and performs the Contract as a teaming arrangement, as defined in FAR 9.601(1) and (2), *Contractor Team Arrangement*, the team shall share in the total fee for underlying contract. Separate, additional, subcontractor fee is not an allowable cost for individual team members, or for a subcontractor, supplier, or lower-tier subcontractor that is a wholly-owned, a majority-owned, or an affiliate entity of any team member.
- (b) The subcontractor fee restriction in paragraph (a) above does not apply to members of the Contractor's team that are: (1) small business(es); (2) Protégé entities as part of an approved Mentor-Protégé relationship identified in the Contractor's Diversity Plan as per the Section H Clause entitled, DOE-H-2046, *Diversity Program*; (3) subcontractors under a competitively awarded (that is, awarded in a manner that meets all the criteria of full and open competition and results in a reasonable subcontract price) FFP subcontract; or (4) subcontractors providing commercial items as defined in FAR 2.101, *Definitions*, if the subcontract price is fair and reasonable.

ANSWER: The Government has considered the feedback provided; however, NNSA has determined the language in B-3 will remain as written. Please note the contract type contemplated for award is cost-reimbursement and does not restrict offerors based on lack of experience with cost-reimbursement type contracts.

- 9. RFP Vol. I, Section/Part B-3(3), Title CLIN 0004: Capital Construction Projects, Page No. BH 8:** The paragraph notes that the cost/price structure includes FFP as an option. Clause H-18(b) notes the CCO may, at their sole discretion, unilaterally direct the Contractor to accept the terms presented by the Government if negotiations are unsuccessful. Is the expectation that the Contractor will be required to accept fixed price execution risk for line-item projects based on a unilateral decision by the CCO, with the Disputes Clause remaining as the only recourse? Rather, we would recommend that this provision be revised so that such scope remain in CLIN0002 until mutually acceptable terms are reached.

ANSWER: The Government appreciates the feedback; however, NNSA has determined the language in H-18(b) will remain as written.

- 10. B-3(e)(vi) & I-32(a)(2):** Section B-3(e)(vi), page 7, provides that the contractor cannot draw down or provisionally bill any portion of AF prior to receipt of the FDO's Fee Determination Letter. This places an undue financial hardship on the contractor by potentially delaying payment over 12 months if the Fee Determination Letter isn't issued in a timely manner. However, Section I-32(a)(2) authorizes drawdowns of Provisional fee on the last working day of each month— a provisional fee equal to ____ percent [Contracting Officer to insert number percentage] of the annual available award fee amount. Please delete B-3(e)(vi) to resolve this conflict.

Feedback: These clauses conflict with each other, as written.

Suggestion: Delete B-3(e)(vi) to resolve the conflict. Recommended that the contractor be authorized to provisionally draw down 7% of the total available award fee on a monthly basis (total not to exceed 84%) to provide the contractor with cash flow. This would approximate, slightly less than, the NNSA contractor award fee determinations in FY 22.

ANSWER: Section I-32(a)(2) incorporates a fill in the blank percentage. NNSA does not intend to authorize provisional award fee draw down, therefore, Section I-32(a)(2) will be updated to reflect 0% in the blank space.

11. Section B-3(e)(1)(vi). No Draw Down –

A prohibition of fee draw down will have a significant adverse impact on the Offeror's cash flow. We recommend changing this clause to allow monthly provisional fee payments of the available award fee.

ANSWER: Section B-3(e)(1)(i) of the draft RFP permits payment of fixed fee during the contract period. See question #10 regarding provisional payment of award fee.

12. Section B, Clause B-6 Performance Evaluation, page no. 9.

Would the government consider structuring the PEMP to evaluate Contractor's progress in accomplishing vision and milestones against long-term plans?

ANSWER: NNSA appreciates the recommendation. Please note the PEMP is executed after contract award and is updated annually. NNSA will not revise the language in B-6.

13. Mission Performance Fee – The NNSA should adopt a "Mission Performance Fee" for the overall weapons program success, an annual basis for meeting or exceeding clearly defined weapons activity by Pantex, Y-12, Savannah River Site Tritium, Kansas City Plant, and the Tri-Labs. The award would be contingent on the "Team" meeting the overall NNSA goal. All entities would receive the same award fee as a single entity.

ANSWER: NNSA appreciates this recommendation. Please note the PEMP is executed after contract award and is updated annually. NNSA will not revise the language in B-6.

14. RFP Vol. I, Section/Part B-8 (c)(1), Title Annual Controlled Baseline Applicable to Performance, Page No. BH 10: We believe that B-8 (c)(1) is redundant and suggest that it should be deleted.

ANSWER: While both Sections B-2 and B-8 reference the Annual Controlled Baseline, both references are necessary and the two sections are interdependent.

- 15. RFP Vol. I, Section/Part B-8 (c)(2), Title Annual Controlled Baseline Applicable to Performance, Page No. BH 10:** We assume the +/-10% is cumulative for all the changes that occur within a performance year; not that each individual change must be +/-10% of the annual baseline before the Contractor would get an adjustment in the fee pool. Please confirm that this assumption is correct, if so, we suggest the language be clarified to reflect this understanding.

ANSWER: The interpretation described in this comment is correct. The year-end September 30th ACB encompasses the cumulative cost estimate impact of changes approved in accordance with DEAR 970.5243-1.

- 16. Section E, Given the uniqueness of CLIN 0004, would it be appropriate to add a note in this section, similar to the notes about fee and how other clauses may be added as needed on CLIN 0004 subCLINs, that states the subCLIN inspection/acceptance will be separately negotiated?**

ANSWER: NNSA will incorporate any applicable sub-CLIN construction terms and conditions into the M&O contract concurrent with the award of each Sub-CLIN for the completion of that project that are not otherwise contained in the M&O contract. Please see the first paragraph of Section H-18 Construction Projects.

- 17. Sect B – H, F-3 (1), Transition Start Date:** What date should be used for Transition planning and estimating purposes?

ANSWER: It is anticipated transition will begin four months prior to the expiration of the Pantex portion of Consolidated Nuclear Security, LLC's contract DE-NA0001942. The portion of the contract associated with the work at Pantex currently expires on September 30, 2024.

- 18. Sect B – H, F-7, Deliverables During Transition:** Where not explicitly noted, what DOE review and approval timeframes for deliverables should be used to support Transition planning and estimating?

ANSWER: Each of the deliverables in F-7 include a specific timeline for submittal.

- 19. Sect B – H, F-7, Deliverables During Transition:** Where not explicitly noted, what Transition deliverables are needed for information vs. review and approval?

ANSWER: Each of the deliverables in F-7 specify whether the deliverable is to be submitted for Contracting Officer approval.

- 20. G-1(a) & G-1(c):** Section G-1(a), provides the PFO Administrative Contracting Officer (ACO) is the Contractor's primary point of contact for all contractual matters related to CLIN 0001, 0002, and 0003. However, G-1(c) provides the Procuring Contracting Officer (PCO) is responsible for all contractual actions required to be taken by the Government under the terms of this Contract.

Suggestion: Please clarify if it the NNSA's intent that the PCO be responsible for CLIN 004 work and the ACO responsible for all other contractual work under the contract?

ANSWER: The PCO is responsible for all Procuring Contracting Officer functions for all M&O contract awards and contract administration. The Administrative Contracting Officer (ACO) is delegated the authorities under FAR subpart 42.3, Contract Administration Office Functions. The Construction Contracting Officer (CCO) is primarily responsible for contractual and administrative matters related to CLIN 0004.

21. Clause H-1, Continuation of Predecessor Contractor's Obligations and Transfer of Obligations to Successor Contractor. This section requires the assumption of various agreements. There can be disallowed costs or liabilities under these agreements as a consequence of predecessor mismanagement, or negligence, or willful misconduct. While the successor should assume the agreements, it should not have to assume such disallowed costs or liabilities. *Please clarify in Section (a) that the assumption of the agreements specifically excludes disallowed costs or liabilities arising from the acts or omissions of the predecessor contractor, regardless whether arising before or after the transfer. Also, Section (a) includes an obligation to assume litigation. While the other listed items in Section (a) are agreements, litigation is not an agreement, it is a potential liability. Litigation does not fit in this section. Please amend based on the following:*

- a. Courts will not allow a separate legal entity to assume litigation unless it is a successor in interest. While the successor contractor will be a successor in interest to the contract, it will not be a successor in interest to the predecessor entity.*
- b. Section (c) makes the successor responsible for disallowed costs under the Section (a) items once its contract ends and is passed on to the successor contractor. We assume the existing contractor has a similar obligation. Neither entity may want to allow another entity to manage litigation when it faces disallowed costs.*

Based on the above, it is recommended that Section 8(a) litigation and claims be its own independent paragraph under H-1 and that, instead of assigning the litigation/claims to the successor, all that is assigned is the obligation to "manage" the litigation/claims provided further that the predecessor has a right to retain management of any of its litigation/claims that has a potential to result in disallowed costs.

ANSWER: The Government has added language to H-1 to capture the tri-party agreement process that takes place during the Transition period. The Government appreciates the feedback.

22. Section B-H, H-1 CONTINUATION OF PREDECESSOR CONTRACTOR'S OBLIGATIONS AND TRANSFER OF OBLIGATIONS TO SUCCESSOR CONTRACTOR, Paragraph (a), Page 25: It is indicated that "[t]he Contractor shall assume all existing contractual, commercial, regulatory, and other similar obligations

incurred under the predecessor contract, and shall be fully responsible and accountable under this Contract for the performance of such obligations. Examples of existing obligations include, but are not limited to: . . . (8) Ongoing litigation and claims by or against the predecessor contractor[.]”

Comment- We are concerned about assuming litigation and claims on the part of the predecessor contractor, especially those liabilities that are unallowable or provisionally unallowable under the contract. Will NNSA consider elimination of this requirement to assume the ongoing litigation and claims liabilities of the incumbent contractor? If not, will NNSA modify this language so it only applies to ongoing litigation and claims that are allowable under the terms of the contract? Also, would NNSA consider populating the document library with a summary account of such ongoing litigation and claims by or against the predecessor contractor, sorted by allowable vs. unallowable, so that bidding entities can understand the risks associated with the assumption of such liabilities?

ANSWER: H-1 has been revised to reflect the tri-party agreement process that takes place during transition. The government will not eliminate the requirement to assume ongoing litigation and claims by or against the predecessor contractor, nor will the government further limit the language by applying this requirement only to ongoing litigation and claims that are allowable. The Government will not provide a list of ongoing litigation and claims by or against the predecessor contractor. The predecessor contractor remains responsible for any unallowable costs it incurred or caused to be incurred in the performance of its contract.

23. Section H-1 Continuation of Predecessor Contractor’s Obligations and Transfer of Obligations to Successor Contractor,

Paragraph (c) states, “If, at the completion or termination of this Contract, the Contracting Officer does not direct the Contractor to transfer or assign such obligations to the successor contractor, the Contractor shall be liable, responsible, and accountable for closing out and liquidating such obligations, or for taking such other action as the Contracting Officer may direct.” Please provide clarification of cost responsibility in the event the government directs “such other action” after completion or termination of the Contract.

ANSWER: Cost responsibility in the event the Government directs “such other action” after completion or termination of the Contract would be determined on a case-by-case basis.

24. H-2 Small Business Subcontracting Plan – Given that the CLIN 0004 projects are unique, is it anticipated that CLIN 0004 subCLIN projects will contain their own Small Business Subcontracting Plan and that it will be separate from the M&O’s overarching Small Business Subcontracting Plan for the remainder of the site spend?

ANSWER: The Small Business Subcontracting Plan is inclusive of all CLINs.

- 25. H-13:** Section H-13, page 30, (a) provides the Contracting Officer may, from time to time and at any time, unilaterally modify the Contract to revise, add or delete Section H clauses, and FAR or DEAR clauses due to changes in the law or regulations or policy resulting from the approval of new deviations.

This provision is in direct conflict with FAR 43.103, which provides unilateral modifications are only used to (1) Make administrative changes; (2) Issue change orders; (3) Make changes authorized by clauses other than a changes clause (e.g., Property clause, Options clause, or Suspension of Work clause); and (4) Issue termination notices.

Even I-16 DEAR 970.5204-2 requires the Contractor and the Contracting Officer to agree to any changes to other contract terms and conditions, including cost and schedule, associated with the revision of the List of Applicable Directives and to adjust fee pursuant to the clause of this contract entitled, "Changes."

Suggestion: Please delete H-13(a) since it could potentially cause companies to pause on the decision to compete on this procurement due to the unknown liabilities and uncertainties this provision can create.

ANSWER: NNSA has considered this request, however, NNSA intends to keep Section H-13 as written.

- 26. Clause H-13, Clause Updates and Implementation Section to FAR Clauses.** *While understanding the importance of NNSA having the ability to modify the contract for updates to Section H, and FAR and DEAR clauses, the changes can have impacts to contract performance unanticipated by the contractor. Hence, the contractor has, and should have, access to the equitable relief that the Contract's Changes clause provides. However, Section (a) does not explicitly state such. We acknowledge that the nature of an M&O contract is such that requests for equitable adjustment are normally unnecessary. However, if a changed provision impacts performance to such a degree that it negatively impacts fee earning potential, an equitable adjustment is appropriate. Note in Section (a) that NNSA's unilateral authority to change these provisions in no manner alters the contractor's rights under the Changes clause.*

ANSWER: NNSA has considered this request, however, NNSA intends to keep Section H-13 as written. H-13 simply states that the government may unilaterally modify the Contract; the specifics of such unilateral implementation are set forth in DEAR 970.52-4-2.

- 27. H-13 Clause Updates and Implementation Section to FAR Clauses part (a) and I-23 DEAR 970.5204-2 Laws, Regulations, and DOE Directives part (b) are duplicative. Would NNSA consider deleting part (a) of H-13 to remove confusion?**

ANSWER: NNSA has considered this request, however, NNSA intends to keep Section H-13 as written.

- 28. RFP Vol. I, Section/Part H-14 (c), Title Confidentiality of Information, Page No. BH 31:** Please add to this section, "Any such agreement would be subject to H-36 Prohibition of Funding for Certain Nondisclosure Agreements."

ANSWER: No additional language is required.

- 29. RFP Vol. I, Section/Part H-15(a), Title NNSA Prime Contracts, Page No. BH 32:** "The Contractor shall not commit or permit any act or omission which will interfere with the performance of work performed by any other contractor and/or by Government employees, and the Contractor shall be liable for any added costs resulting from such acts or omissions (such as delay costs) whether such costs are incurred by the Government, or another DOE/NNSA Contractor performing DOE/NNSA contract work". Are we correct in interpreting that the Contractor's "responsibility" in the referenced section is referring to acts or omissions taken "with the intention of interfering" with the performance of work or in contravention of strategy or performance direction provided by the NNSA under the contract? Otherwise, this provision could obligate the Contractor to take actions that may be contrary to the overall mission.

ANSWER: The Government does not agree with the interpretation provided in this question. During contract administration the Government is not going to undertake an analysis of whether the contractor intended to interfere, nor is the Government going to limit the applicability of the clause to those circumstances where the Contractor acts or fails to act in accordance with NNSA-provided strategy or performance direction.

- 30. Clause H-15, NNSA Prime Contracts. Section (a) (substantially repeated at Section (a)(4)) provides that (emphasis added):** *The Contractor shall not commit or permit any act or omission which shall interfere with the performance of work performed by any other contractor and/or by government employees, and the Contractor shall be liable for any added costs resulting from such acts or omissions (such as delay costs) whether such costs are incurred by the Government, or another DOE/NNSA Contractor performing DOE/NNSA contract work. Excepting either (i) it being a FAR Part 31 or DEAR Part 931 disallowed cost or (ii) Contractor high-level management willful misconduct or lack of good faith, the identified Section H-15(a) Contractor cost responsibility is contrary to the risk/reward profile provided cost reimbursement Contractor's in the FAR and DEAR. The FAR and DEAR are clear that NNSA's remedies, should a Contractor fail to meet the H-15(a) standard, are limited to: (i) a downward adjustment in the Contractor's fee earnings, (ii) a negative past-performance evaluation and/or (iii) partial or complete termination. Please modify the latter half of this provision to be consistent with the FAR and DEAR. Specifically: "The Contractor shall not commit or permit any act or omission which shall interfere with the performance of work performed by any other contractor and/or by government employees, ~~and the Contractor shall be liable for any added costs resulting from such acts or omissions (such as delay costs) whether such costs are incurred by the Government, or another DOE/NNSA Contractor performing DOE/NNSA contract work.~~"*

ANSWER: H-15 as written is consistent with the FAR and DEAR. See FAR 31.201-2(a)(4).

31. Section H-15 NNSA Prime Contracts – We recommend inserting “unless acting at the direction of the government” in paragraph (a) as follows:

The Contractor shall not commit or permit any act or omission which will interfere with the performance of work performed by any other contractor and/or by Government employees, and the Contractor shall be liable for any added costs resulting from such acts or omissions (such as delay costs) whether such costs are incurred by the Government, or another DOE/NNSA Contractor performing DOE/NNSA contract work, unless acting at the direction of the Government.

This additional language reflects the potential circumstance where the Contractor acts but does so at the direction of the government.

ANSWER: NNSA has considered this request, but declines to alter the RFP.

32. Section H, Clause H-17 Parent Organization – contains new requirements for Parent Organizations.

We are in favor of Clause H-17 as written because it communicates clear expectations, mechanisms, and a plan for support. However, as currently written, the indirect costs of overhead and G&A are borne as unallowable costs and a disincentive to exercise reach back capabilities. Please consider adjusting the language to allow full cost recovery with no fee. We recommend adding the following language to the end of the first paragraph of H-17(c), “The Contractor shall charge to the account of the Government using the special financial institution account as provided in the Contract’s Sections I-32 entitled “Payments and Advances” and in Section H-26(a) the Allowable Costs clause of Advanced Understanding Regarding Additional Items of Allowable and Unallowable Costs and Other Matters.

ANSWER: NNSA has modified H-17(c) to address the indirect burden allocated to the labor of a parent organization utilized employee.

33. RFP Vol. I, Section/Part H-17 (c), Title Parent Organization(s), Page No. BH 35: This paragraph notes “any fee or indirect costs such as allocation for overhead, General and Administrative (G&A), and Cost of Money will not be reimbursed.” We interpret the language in this paragraph, consistent with the recent advisory opinion of the CBCA, that limitation on reimbursement with respect to “any fee or indirect costs such as allocation for overhead, General and Administrative (G&A), and Cost of Money” applies to the costs incurred by the M&O for labor and purchases that might otherwise be applied under the Cost Accounting Standards, but not to reach back services of a parent company (in the latter case, the DEAR rationale for limiting these costs (the M&O’s own payroll and benefits etc.) would not apply). Given the desire for the site and organization to benefit from the reach back capabilities of the parent companies, it would seem appropriate that these services be reimbursed for all allowable and allocable costs (including overhead, G&A, but no profit or fee). Please confirm whether our interpretation is correct, and it is suggested that the current language be amended to allow for the recovery of all cost items.

ANSWER: NNSA is considering changes to H-17(c). Any revisions will be reflected in the final RFP.

- 34. H-17, Parent Organization(s). Section (c):** *This section provides that the costs of parent organization support are reimbursable less fee, indirect costs (overhead and G&A), and cost of money. However, under cost reimbursement contracts for the management of government assets, the rule is that: (i) indirect costs associated with the government assets are not reimbursable but (ii) such costs associated with a contractor's assets are recoverable. Request that Section (c) be revised to make clear that the parent entity providing support can include the indirect costs associated with its own assets.*

ANSWER: NNSA has modified H-17(c) to address the indirect burden allocated to the labor of a parent organization utilized employee.

- 35. Section H, Clause H-17 Parent Organization:** *Contains new requirements for Parent Organizations.*

The inclusion of the "Reachback" section in the Parent Organization Plan is the most significant addition to this section. In the coupled Y-12/Pantex contract, corporate reachback was not explicitly included in the corresponding H clause. We are strongly suited to provide corporate reachback given our wide availability of highly qualified nuclear production personnel. However, we seek more information regarding the basis of evaluation for corporate reachback instances and examples that will be graded in the PEMP. We recommend incorporating the corporate reachback plan into Section L in either the Technical Approach or Past Performance requirements. This will give bidders a clear understanding on the specific aspects of corporate reachback of interest to NNSA. In response to this change, it would also be logical to incorporate the reachback plan into Section M evaluation factors with a focus on quality of reachback, rather than simply the cost of reachback. The NNSA will not benefit from lower quality reachback, so we would like to explore how we can incorporate our reachback to deliver an optimized impact. Bidders need a clear understanding on how their inclusion of corporate reachback will be graded.

Also, we ask that NNSA makes a necessary revision to the policy regarding allowability for corporate reachback costs. In Section H, clause H-17, subsection (c) states, "Any fee or other indirect costs such as allocation for overhead, General and Administrative (G&A), and Cost of Money will not be reimbursed." The absence of a pathway to recover reachback resource costs is a significant concern. Overhead and G&A are actual, allowable costs that parent companies incur. Such costs are reviewed and approved annually by each parent company's DOE ACO. To prevent parent companies from billing such costs means contractors absorb the costs, which erodes earned fee and is clearly a disincentive to provide reachback resources.

ANSWER: NNSA has modified H-17(c) to address the indirect burden allocated to the labor of a parent organization utilized employee. NNSA declines to make changes in the suggested manner regarding the evaluation criteria.

- 36. H-17:** The Draft RFP's H-17 provision in (a) below is subject to misinterpretation. In accordance with the FAR and DEAR clauses in (c) and (d) below, allowances for both direct and indirect costs incurred are reimbursable, while corporate home office allocations incurred in the general management of the contractor's business as a whole are not, see (d) below.

The provision previously recommended by EFCOG in b) below is clear that applicable indirect costs, including G&A and overhead costs, are recoverable as provided for in an approved Cost Accounting Standards Disclosure Statement. Not being able to recover all reasonable, allocable, and allowable costs in accordance with its Disclosure Statement would be a disincentive for a contractor to use parent organization resources.

- a) DRAFT RFP H-17 (c) Costs of Parent Organization(s) Plan Activities Costs of activities associated with the development and implementation of the Parent Organization(s) Plan shall be subject to FAR subpart 31.2 as supplemented by subpart 931.2 of the Department of Energy Acquisition Regulations (DEAR), other Contract terms and conditions, and only include: the actual direct labor costs of the persons performing such services; a percentage factor of direct labor costs to cover fringe benefits and payroll taxes; travel; and other direct costs. Any fee or other indirect costs such as allocation for overhead, General and Administrative (G&A), and Cost of Money will not be reimbursed.
- b) EFCOG Recommendation : (d) The Contractor may incur costs for its Parent Organization experts and other interorganizational support and shall charge the costs to the account of the Government as provided in the Contract's Section I Clause entitled "Payments and Advances," or as otherwise directed by the Contracting Officer. Costs shall only include: the actual direct labor costs of the persons performing such services; materials; travel; other direct costs; and applicable indirect costs applied in accordance with the Parent Organization's/affiliates disclosed accounting practices, or, if applicable, Cost Accounting Standards Disclosure Statement. A separate fee for such support is unallowable.
- c) FAR 31.205-26 Material costs.(e) Allowance for all materials, supplies and services that are sold or transferred between any divisions, subdivisions, subsidiaries, or affiliates of the contractor under a common control shall be on the basis of cost incurred in accordance with this subpart.
- d) Home office DEAR 970.3102-3-70 expenses.(a) For on-site work, DOE's fee for management and operating contracts, determined under the policy of and calculated per the procedures in 970.1504-1-3, generally provides adequate compensation for home or corporate office general and administrative expenses incurred in the general management of the contractor's business as a whole. (a)(1)(ii) "Conventional Home Office Expense allocation techniques that use bases such as total operating costs, labor dollars, hours etc., are not appropriate because they inherently assume significant contractor investment (in terms of its own resources, such as, labor, material, overhead, etc.)."

Suggestion: Please clarify in the final RFP that applicable allocable indirect costs, including G&A and overhead, are recoverable, consistent with the contractor's disclosed accounting practices or, if applicable, approved Cost Accounting Standards Disclosure Statement.

ANSWER: NNSA has modified H-17(c) to address the indirect burden allocated to the labor of a parent organization utilized employee.

- 37. Section H, Clause H-17, Parent Organization(s). Item (c), page no. 34.** This section provides that the costs of parent organization support are reimbursable less fee, indirect costs (overhead and G&A), and cost of money. However, under cost reimbursement contracts for the management of government assets, the rule is that: (i) indirect costs associated with the government assets are not reimbursable, but (ii) such costs associated with a contractor's assets are recoverable.

Would the Government consider allowing the full reimbursement of cost activities under the Parent Organization Plan, including G&A, Overhead, and the Cost of Money to ensure the engagement of Parent Organizations?

ANSWER: NNSA has modified H-17(c) to address the indirect burden allocated to the labor of a parent organization utilized employee.

38. Costs of Parent Organization(s) Plan Activities, Reference H.17(c)

"Costs of activities associated with the development and implementation of the Parent Organization(s) Plan shall...only include: the actual direct labor costs of the persons performing such services; a percentage factor of direct labor costs to cover fringe benefits and payroll taxes; travel; and other direct costs. Any fee or other indirect costs such as allocation for overhead, General and Administrative (G&A), and Cost of Money will not be reimbursed."

"Any utilization of a Parent Organization expert or other employee of a Parent Organization detailed, seconded, or otherwise assigned to work under the M&O contract, except for subcontracts approved by the Contracting Officer to be placed with the Parent Organization on an arm's length basis, shall be consistent with DEAR 970.3102-3-70, and Section J, Appendix D, Personnel Appendix and shall be subject to the same cost limitations set forth above."

Feedback

We request that NNSA fully reimburse the costs of activities associated with the development and implementation of the Parent Organization(s) Plan and utilization of a Parent Organization experts or other employees of a Parent Organization detailed, seconded, or otherwise assigned to work under the M&O contract.

Rationale

1. Limiting the costs that can be reimbursed creates an unnecessary barrier to bringing in highly qualified personnel on reach back support. This incentivizes contractors to keep its personnel on projects where they are fully reimbursed rather than sending them to

assignment at Pantex. In cases where this support might contribute to meeting a mission objective, this limitation on reimbursement could introduce mission risk.

2. Conversely, removing this barrier to participation enables a robust Parent Organization Plan supported by contractors' technical experts that should drive efficiency and operational improvements across the Pantex Plant.
3. We concur that a tracking process providing sufficient detail for reasonable accountability is a necessary element of successful reach back support both for NNSA and the M&O contractor.

ANSWER: NNSA has modified H-17(c) to address the indirect burden allocated to the labor of a parent organization utilized employee.

- 39.** Section H, Clause H-17, Parent Organization – contains new requirements for Parent Organizations, Section B – H, Page 34 to Page 35

(a) Plan The Contractor shall develop, at a date established by the Contracting Officer with input from the Contractor, a multi-year Parent Organization(s) Plan that addresses Pantex Plant Stewardship, Oversight, Reachback, and Systems. The Contractor shall update its Parent Organization(s) Plan on an annual basis, and shall submit to the Contracting Officer for approval prior to implementation with an explanation of estimated costs by year. The Parent Organization(s) Plan should be vetted with the Plant leadership before submission to the Contracting Officer.

Recommendation: Given the unique nature of tasking and challenging nature of issue support requiring reachback, the SMEs who are called upon from the parent organization are usually the top tier SMEs. Given the fact FAR 31.205-26(e) makes it clear "...all materials, supplies and services that are sold or transferred between any divisions, subdivisions, subsidiaries, or affiliates of the contractor under a common control shall be on the basis of cost incurred" it is recommended the government allow all DCMA approved aspects of cost such as overhead, General and Administrative (G&A), etc to ensure most appropriate parent organization resources are utilized.

ANSWER: NNSA has modified H-17(c) to address the indirect burden allocated to the labor of a parent organization utilized employee.

- 40. H-18:** Section H-18, page 36, introduces the concept of a Construction Contracting Officer (CCO) which is not addressed in Section G-1. Please clarify the relationship of the PCO, ACO and CCO. H 18(c) indicates construction work may be performed under CLIN 0002, but G-1 states the ACO is responsible for all contractual matters related to CLIN 0002.

Feedback: Clarification is needed to resolve this conflict.

ANSWER: Please see section G-1 (b) which addresses the CCO role.

- 41. Clause H-18(b), Construction Projects.** *H-18(b) establishes a process, for CLIN 0004, Capital Construction Projects, whereby, except for applicable FAR and DEAR clauses, all*

remaining terms are negotiable and, should mutuality not be reached, unilaterally decided by the Contracting Officer which decision is subject, first, to equitable adjustment and, subsequently, to disputes. However, the same process is not mentioned for failures to reached mutuality on CLIN 0002 construction. It is appropriate that the foregoing process equally apply to H-18(c) governing construction awarded under CLIN 0002, Strategic Partnership Projects.

ANSWER: Clause H-18(b) has been updated to clarify that it applies to Capital Construction Projects under CLIN0002 and CLIN0004.

- 42. H-18(d):** H-18(d) provides that added project costs resulting from the Contractor's failure to cooperate with any such other contractors (such as delay costs), regardless of whether incurred by the Contractor or such other contractor(s) or by the Government, shall be borne by the Contractor and shall not be an allowable cost of this Contract.

Feedback: Implementation of this clause seems difficult to quantify. Please consider removing or tying to an award fee determination and not an unallowable cost issue.

ANSWER: This clause is incorporated in NNSA contracts with anticipated capital line item construction projects. Any added project costs resulting from the M&O Contractor's failure to cooperate with other such contractors will be quantified and substantiated at the time such a situation arises.

- 43. RFP Vol. I, Section/Part H-18(d), Title Construction Projects, Page No. BH 37:** How does the Government intend to adjudicate any disputes between the Contractor and other contractors in the event that increased costs are encountered and how will they determine which party is responsible?

ANSWER: Any added project costs resulting from the M&O Contractor's failure to cooperate with other such contractors will be quantified and substantiated at the time such a situation arises.

- 44.** Provide criteria for projects that may be executed within CLIN 0004 that do not meet Capital Line-Item thresholds. See Section B-H, H-18 Page 36 – "CCO may direct additional projects to CLIN 0004".

ANSWER: Projects to be executed within CLIN 0004 will be determined on a case-by-case basis.

- 45.** Please indicate which DOE O 413.3B elements may be required to be implemented on construction projects within CLIN 0002. See Section B-H, H-18 Last Sentence of Introduction Paragraph.

ANSWER: If the construction projects are capital assets managed under 413.3B, then all elements apply for either CLIN 0002 or 0004.

46. Section H-26 Advance Understanding Regarding Additional Items of Allowable and Unallowable Costs and Other Matters, paragraph (b), item 6, page 40.

Would the government consider reimbursing the portion of Key Personnel bonuses allocable to the Pantex Management & Operating contract?

ANSWER: NNSA has considered this request; however, Key Personnel bonuses will remain unallowable costs.

47. H-27, Advance Understanding Regarding Additional Items of Allowable and Unallowable Costs and Other Matters: *Section (b)(2) disallows home office expenses. (See discussion regarding Clause H-17, Parent Organization(s), above). While Section (b)(2) is appropriate for costs of Pantex personnel, and also appropriate for Pantex facility costs for parent organization personnel, as noted in Clause H-17, for services provided by parent entity personnel, it is appropriate to include indirect charges associated with the parent entities home office.*

ANSWER: NNSA has modified H-17(c) to address the indirect burden allocated to the labor of a parent organization utilized employee.

48. H-28, Consider options for allowing costs associated with implementing the community commitment plan.

ANSWER: NNSA considered this request, however, costs associated with implementing the Community Commitment Plan will remain unallowable.

49. H-29 Defense Priorities and Allocations Systems Priority Rating – It was noted in the CNS contract that while the overarching order was governed under DO-E2 DPAS rating, that it did have an addendum in Section J that allowed for DX rating on orders specifically related to the weapons programs at Pantex. Will a similar addendum be added to this contract?

ANSWER: Please note the appropriate DPAS Rating, if any, will be applied prior to award.

50. Key Personnel, Reference H-35(d)

“Key Personnel shall be employees of the Contractor and shall not be on assignment (i.e., seconded) from another organization.”

Feedback

Please remove this requirement.

Rationale

1. It presents an obstacle to offerors proposing their best potential candidates.
2. It is unnecessary, as seconding personnel is a recognized practice that has been highly successful in the past.

3. It requires key personnel to separate from their parent organization, affecting corporate partnership with NNSA, and realization of the benefits associated with implementing the Enhance Mission Delivery Initiative recommendations.
4. It impairs the ability of companies to compete, and if included in the final RFP may serve as grounds for protest of the RFP itself.

ANSWER: NNSA has considered this request, however, NNSA intends to keep Section H-35(d) as written.

51. Section H-35(d).

In this section all proposed Key Personnel shall be employees of the Contractor and shall not be on assignment (i.e., seconded) from another organization. This clause includes the parent company. If so, will eliminate from consideration tenured senior industry leaders who will have to sever their ties, compensation, and benefits that they have earned. This strongly deters participation of some executive level personnel because it impacts highly desirable tenure-based corporate benefits late in their career. This will also limit the pool of candidates that have enduring links into industry and the current best practices they have access to. If the clause cannot be eliminated, it could be limited to a small number of positions rather than a complete prohibition. We suggest adjusting the clause language to put a percentage limit on the number of Key Personnel and their direct reports (Essential Personnel) that are seconded. This would still help stabilize the Key Personnel team by ensuring most of them are bound to the contracted entity but afford flexibility to assign the highest quality people to the team. It would allow industry to bring in senior leaders without requiring they surrender of all the benefits that they have accumulated over their long careers. Securing the right talent and resources best equipped to provide integrated and comprehensive solutions in these Key Personnel positions is critical to NNSA interests.

ANSWER: NNSA has considered this request, however, NNSA intends to keep Section H-35(d) as written.

52. RFP Vol. I, Section/Part H-37, Title Personal Protective Equipment (PPE) Strategic Reserve, Page No. BH 48: What is the definition of "critical PPE and consumables"? In light of the end of the COVID emergency, is this clause necessary, or rather, could this program be handled through performance direction?

ANSWER: Critical PPE and cleaning consumables includes, but is not limited to, the protective clothing and equipment items that protect from body fluids and aerosolized droplets that are also used in some of the national security clean room applications such as the filtering facepiece respirators (i.e., N-95, 99, 100), disposable gloves (i.e., 4, 6, 8 mil nitrile rubber gloves), disposable overgarments (i.e., Tyvek coveralls), and faceshields.

This clause is necessary as NNSA needs to maintain the Strategic Reserve initiative.

Section I – Part II Contract Clauses

53. Liquidated Damages on Construction Projects

Reference I.A, FAR Clauses Incorporated by Reference

“52.211-12 Liquidated Damages – Construction”

Feedback

We request that NNSA remove this FAR clause from the prime contract.

Rationale

1. Liquidated damages are not appropriate for a cost-reimbursable M&O contract.
2. Many of the construction projects at Pantex are first-of-a-kind, high-hazard/high-consequence projects with funding that varies from year to year for which schedule-based liquidated damages are not appropriate.
3. Removing this clause increases the number of viable bidders by reducing contractors’ perceived risk.
4. The M&O contractor can include this clause in its lower-tier subcontracts for well-defined, fully funded construction projects for which schedule-based liquidated damages are appropriate. This retains the benefit to NNSA without introducing perverse incentives across the entire prime contract.

ANSWER: NNSA has removed this clause.

54. Liquidated Damages on Subcontracting Plan, Reference I.A, FAR Clauses Incorporated by Reference “52.219-16 Liquidated Damages -- Subcontracting Plan”

Feedback

We request that NNSA remove this FAR clause from the prime contract.

Rationale

1. Liquidated damages based on small business goals may lead an M&O contractor to choose underqualified firms to deliver work scope, introducing mission risk.

ANSWER: 52.219-16 Liquidated Damages -- Subcontracting Plan is required per the FAR and will remain in Section I.

55. Section I, Buy American Act (BAA)/Trade Agreements (TA) Clauses -

- a. FAR guidance does not contemplate multiple versions of the clauses to flow into a Prime Contract since the threshold guidelines are on a Prime Contract basis. The BAA and TA provide no way to read, by the inclusion of all the different versions of these clauses either in the reference or full text section, that the M&O procurement department should utilize them at the different threshold levels similar to how a Contracting Officer would when crafting a Prime Contract. Given that the expected Prime Contract level for this contract is well above the \$183,000 Prime Contract threshold for supply contracts stated in FAR 25.1101(c)(1), then FAR 52.225-5 Trade Agreements, which implements both BAA and expands use to TA related countries, should be guiding for Supplies. For

construction, the Prime Contract threshold per FAR 25.1102(c) and (c)(3) is \$7,032,000 which implements FAR 52.225-11 Buy American-Construction Materials Under Trade Agreements and then over \$12,001,460 removes the need to include Alt I. These two clauses should govern what the M&O delivers and this should be reconciled in DEARS 970.2570 guidance which contradicts this stating that only 52.225-1 and 52.225-9 should be included in M&O contracts.

- b. If this is the case then would NNSA consider taking the following actions to ensure proper compliance with the Buy American Act and Trade Agreements is laid out for the bidders?
 - i. Remove 52.225-1 and 52.225-3 from the reference section
 - ii. Remove 52.225-9 and 52.225-11 from the full text section
 - iii. Add 52.225-5 and 52.225-11 into the reference section
 - iv. Update DEAR 970.5244-1 Contractor Purchasing System clause part (g) as the guidance only allows for 52.225-1 and 52.225-9 which contradicts both the recommended and original clauses we just discussed so that there is no confusion as to what to comply with.

ANSWER: NNSA has determined that inclusion of these clauses, as is, is appropriate in this circumstance.

- 56. 52.244-2 Subcontracts** – This clause should always be in full text as it is a fill in for the government on which subcontracts require advance notice and consent. However, this is predominantly taken care of in DEAR 970.5244-1 Contractor Purchasing System (d) which references when the M&O needs to provide advance notice. Would NNSA consider keeping the clause but moving to full text and refencing the guiding document that defines the site consent threshold (since it varies based on type of action) or removing 52.244-2 and adding an H section clause that details consent requirements? Alternatively, NNSA may consider updating 970.5244-1 to incorporate the consent section in this clause just as the notification section already is.

ANSWER: NNSA reviewed the noted clause and added the appropriate fill-in language which references the written consents that must be addressed in the Contractor's approved purchasing system.

- 57. I-36(i):** Section I-36(i), page 65, provides that equipment, materials, supplies, or services from a contractor-affiliated source shall be purchased or transferred in accordance with 48 CFR 970.4402-3 which states: (a) A management and operating contractor may purchase from sources affiliated with the contractor (any division, subsidiary, or affiliate of the contractor or its parent company) in the same manner as from other sources...i.e., an affiliate may earn fee under the conditions of 970.4402-3 (not just firm fixed price subcontracts).

This long-standing DEAR provision conflicts with B-3 and L-11 stating: Separate, additional subcontractor fee for teaming partners shall not be considered an allowable cost under the Contract. If a subcontractor, supplier, or lower-tier subcontractor is a wholly owned by, majority-owned by, or an affiliate of any team member, any fee or profit earned by such

entity shall not be considered an allowable cost under this Contract unless otherwise approved by the Contracting Officer.

Suggestion: Please resolve this conflict/error by modifying B-3(iii) to state “awarded in accordance with 48 CFR 970.4402-3.

ANSWER: Similar to FAR 1.302(b), additional policies, procedures, solicitation provisions, or contract clauses may supplement the Federal Acquisition Regulations to satisfy the specific needs of the agency. Additionally, the B-3 clause provides the Contracting Officer latitude to otherwise authorize fee provisions for affiliated sources on a case-by-case basis.

58. Section I. *The contract contains neither FAR 52.246-23, Limitation of Liability nor FAR 52.246-25, Limitation of Liability – Services, although the FAR makes both clauses applicable to this form of contract. Please include the clauses at Section I, Subsection A, FAR Clauses Incorporated by Reference.*

ANSWER: DEAR 970.5245-1 addresses the risk of loss of Government property.

Section J, Appendix A – Statement of Work

59. Section J, Chapter 1 Objectives, Scope, and Requirements, Item 1.0 Objective, paragraph 2, pages no. ii-iii. Paragraph 2 states, “The Contractor shall be fully responsible for the procurement, processing, manufacture, fabrication, staging, storage and disposition for Special Nuclear Material (SNM), other special materials [...]”

Would the government please define other special materials?

ANSWER: Other special materials include but may not be limited to, Uranium (depleted and normal), Curium, Deuterium, Thorium, and Tritium.

60. Section J Appendix A Scope of Work 1.0 Objective. Page 1 This section states, “Modernizing and maintain plant infrastructure to ensure near and long-term reliable productions.” This SOW element also links to Technical Criterion 1: (a) Technical Approach for meeting objectives: “Offeror shall describe how it will identify and address aging infrastructure.” *Please provide the following information in the reading room: Differed Maintenance Plan, FIMS, list of near term and long-term projects with funding priorities, estimated dates when holds on the High Explosive Synthesis and Formulation and Production (HESFP) and Material Staging Facility (MSF) will be released, CD packages for on-going projects and Earned Value metrics for the High Explosives and Science Engineering (HESE) project.*

ANSWER: The HESFP project is expected to be restarted in FY26. The restart of the MSF facility is to be determined. The CD-2/3 approval memo for the HESE project and CD-1 approval memo for HESFP will be provided in the reading room. Earned Value

metrics for HESE are not for public release. NNSA will provide its Infrastructure Modernization Initiative Plan in the reading room.

- 61. Section J, Appendix A, Page 6.** The first paragraph of this page states: “NNSA has a Work Breakdown Structure (WBS) that is discussed further in Section J, Appendix X.” *No Appendix X or WBS was provided. Please provide the missing information.*

ANSWER: The WBS is included as an Appendix to the final RFP.

- 62. RFP Vol II, Section J, Appendix A, 3.1 Mission, page no. 6.** The first paragraph states, “NNSA has a Work Breakdown Structure (WBS) that is discussed further in Section J, Appendix X.”

Would the Government please provide Section J, Appendix X?

ANSWER: The WBS is included as an Appendix to the final RFP.

- 63. Section J Appendix A, Section 3.1 Mission**

The first paragraph under section 3.1 states that “NNSA has a Work Breakdown Structure (WBS) that is discussed further in Section J, Appendix X”.

The DRFP files does not include the Section J, Appendix X file. Please provide a copy of Section J, Appendix X to allow Offerors to understand the WBS for the Pantex Plant.

ANSWER: The WBS is included as an Appendix to the final RFP.

- 64. SECTION J Appendix A Statement of Work, 4.3 Information Technology (IT), Section J, Appendix A, Page 9**

4.3.1 Cybersecurity: The Contractor is to implement a comprehensive, modern, risk-based cybersecurity program including a cybersecurity architecture aligned with the cybersecurity program, enterprise architecture, and direction of the NNSA Office of the Associate Administration for Information Management and Chief Information Officer (NA-IM). The Contractor shall conduct cybersecurity operations to meet the requirements of Federal, DOE, and NNSA data protection and cybersecurity program at all respective security classification levels, at all times, and as provided and authorized by the federally appointed authorizing official, or enterprise authorizing official, as appropriate.

Question/Recommendation: The SOW under section 4.3 does not clearly address the requirements of the Executive Order 14028, including Zero Trust. Are there further instructions forthcoming in the reading room? Given the rapidly growing importance of cybersecurity in the NSE, will the Government consider separating cybersecurity from IT and assigning it as a standalone SOW element?

ANSWER: Section J, Appendix B, List of Applicable Directives contains Federal Cybersecurity and IT requirements that are applicable to the Pantex M&O contract, including Executive Order 14028. As Cyber Security and IT programs are best executed in an environment of collaboration, the Government did not separate cybersecurity from IT and assigning it as a standalone SOW element.

65. Section J, Appendix A, Administrative and Technical Requirements, 4.3.1 Cybersecurity, Page 11

The Contractor shall allow full, unfettered access to system logs and cybersecurity sensor data for all information resources on DOE and NNSA networks to the NNSA Enterprise Security Operations Center, and other entities as directed by NA-IM. The Contractor shall follow the NNSA SD 205.1 for implementation of a cybersecurity baseline program, provide adequate performance metrics to generate a risk-based budget process for the NSE, and adhere to data calls.

Question: What is the timeline for release of the revised version of NNSA SD 205.1 and expectations to incorporate operational changes into the RFP submittal?

ANSWER: The Government is planning on releasing a revised version of the NNSA SD 205.1 by November 2023. However, with efforts underway from DOE to release an updated version of DOE O 205.1, this tentative date may follow DOE's update.

66. Section J, Appendix A, Item 1.1.2 Infrastructure and Operations, Item (ii) B, page no. 21. Paragraph ii states, "NNSA Operations of Facilities Program; A. Manage and disposition waste generated at the plant; B. Operate the Wind Energy System (Pantex Wind Farm) as part of the Pantex Renewable Energy Project (PREP)

Would the government clarify whether the Contractor is to provide Security and Emergency Services for this program? If so, are they funded by an organization other than DNS (NA-70)?

ANSWER: Yes, the Contractor is to provide Security and Emergency Services for the local implementation of the Operations of Facilities Program. Funding is currently split as part of the baseline Security Program funded by Office of the Chief, Defense Nuclear Security (NA-70) and as part of the baseline Emergency Management Program funded by Office of Emergency Operations (NA-40).

67. Section J Appendix A - Statement of Work (SOW)

It will be beneficial if NNSA is able to provide additional status and/or guidance for the High Explosive Science & Engineering (HESE) within the final RFP (revised TPC and schedule duration as forecast in the forthcoming BCP).

Section J, Appendix A Page 44 - that the HESE Facility Project is reported to have encountered issues. Per the SOW - "The HESE project is in the early stages of construction

and is expected to have cost and schedule growth with project total project cost increase of 20-35% and CD-4 delay of 1 to 2 years.”

The FY24 NNSA Congressional Budget Request further outlines the specific challenges encountered and details that NNSA has not yet completed its formal review of the contractor’s information on cost growth. The current TPC is a preliminary estimate, as the value was generated in June 2020, with the TPC determined by an Independent Cost Estimate was \$228M.

We believe that the revised HESE BCP has not been approved as of yet, and the new Contractor will be at the mercy of this new TPC being generated by CNS, with the provided NNSA timeline for Pantex M&O award, we are approximately 1.5 years away from the award and the new HESE BCP will be approved by then.

ANSWER: The HESE BCP information is pre-decisional and will not be released until the BCP is approved.

68. Section J Appendix A - Statement of Work (SOW)

It would be beneficial if the final RFP further detailed specifics related to the maintenance demands and potential impacts to operations based on this funding profile.

During the site visit, it was great getting to view the layout of the site and hear the perspectives about the aging infrastructure and the evident relationship to both maintenance and projects impact to the throughput of the weapons mission. This again is echoed in the EMDI report, with major emphasis on infrastructure upgrades and facility modernization that is critical to the success of the NNSA missions including the critical missions performed by Pantex.

In the FY24 NNSA Congressional Budget Request, for FYs 24-28, the budget found in Table 6 of the FY24 Congressional Justification shows a relatively flat budget for the direct-funded maintenance at Pantex going from \$118M in FY24 to \$123M in FY28.

ANSWER: NNSA does not anticipate changing the Final RFP. NNSA monitors maintenance needs along with the other Statement of Work requirements and mission execution. Table 6 of the FY 2024 Congressional Budget Request reflects planning estimates for maintenance and repair activities. Actual amounts may change due to circumstances arising in the years of execution, including any future plans for reduction of deferred maintenance or possible mission ramp-up activities. Offerors should expect that adjustments could be made to balance operational needs.

69. Section J Appendix A - Statement of Work (SOW)

It will be beneficial in the RFP to provide a list of planned or pending modernization projects.

Additionally, we understand that the NNSA Budget Request includes funding for the Analytic Gas Laboratory project and upgrades to the Zone 12 East, South and West security infrastructure upgrades. However, it is not clear about the plans for other facility upgrades and modernization projects to allow Pantex to complete all its critical missions for the next several decades.

We would like to request additional information on the expectations of each individual project forecasted in the out years as that will aid us in preparing for the correct designation of labor, procurement strategies, resource building, and overall planning that could be communicated within the proposal.

ANSWER: Below are the Pantex Recapitalization Projects set forth in the FY24 budget request:

National Nuclear Security Administration Infrastructure and Safety Planned FY 2024 Recapitalization Projects - As of February, 2023		
Site	Project Name	FY 2024 Allocation (\$K)
PX	Bay & Cell RAMS, FDS, & Lead-In Improvements Portfolio	25,600
	Building 11-55 Toxic Vapor Monitoring System Replacement	500
	South Main Substation Switchgear, Capacitor Bank, & Controller Upgrade - 100 Circuit (ERICA) [Design] (Minor Construction)	1,900
	Building 12-063 Complex Facility Prep for Disposition (7 assets)	4,000
Subtotal, Pantex Plant		32,000

70. SECTION J Appendix A, Statement of Work

Question: Can the Government clarify NetZero requirements and mandates for the Pantex Site as driven by Executive Orders like 14057? What are the responsibilities of the Pantex M&O contractor to help the Govt attain the required NetZero Goals by 2030 and 2050?

ANSWER: The Contractor Requirements Document (CRD) attached to DOE orders defines contractor requirements (e.g., DOE O 436.1A, *Departmental Sustainability*, dated 4-25-2023, and DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*, Change 6, dated 01-12-2021). Section J, Appendix B List of Applicable Directives currently includes DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*, Change 6 and will be updated to include DOE O 436.1A, *Departmental Sustainability*, dated 4-25-2023

71. Sect J / Append A, Incumbent Employees: Exempt & Covered: What is the size of the employee population covered under this contract in terms of incumbent exempt employees and incumbent employees covered under the Service Contract Labor Standards?

ANSWER: NNSA will provide information regarding Incumbent Employees in the Reading Room.

- 72. Sect J / Append A, Incumbent Employees: Full-Time & Subcontractors:** What is the number of incumbent full-time employees and subcontract employees?

ANSWER: NNSA will provide information regarding Incumbent Employees in the Reading Room.

- 73. Sect J / Append A, Incumbent Employees: Labor Agreements:** What are the incumbent employee counts provided under each of the labor agreements and are there any other agreements?

ANSWER: NNSA will provide information regarding Incumbent Employees in the Reading Room.

Section J, Appendix D – Personnel Appendix

- 74. Section J, Appendix D: Personnel Appendix. Page 2** *This appendix sets forth certain Contractor Human Resources Management policies and related expenses that have cost implications under this contract and are not covered explicitly in the Federal Acquisition Regulations (FAR) or Department of Energy Acquisition Regulations (DEAR) cost principles. Section 1.0 Introduction states that: “No later than 120 days after the start of the Contract Transition Period, the Contractor shall submit a plan and timeline to address the items in the Personnel Appendix Section J, Appendix D, consistent with section 2.4.” The Personnel Appendix Section J, Appendix D does not contain a “section 2.4.” Please clarify or correct the reference.*

ANSWER: NNSA has updated Section J Appendix D to reflect the correct reference.

- 75. RFP Vol. I, Section/Part J Appendix D, Title Parent Organization Support, Page No. JD 11:** One of the benefits of the parent companies is the ability to respond quickly to emergent needs with resources and / or expertise. Would the government entertain including a provision(s) where such an immediate request / need for support could be accomplished on a timetable responsive to the challenge or opportunity?

ANSWER: NNSA has considered this request; however, NNSA intends to keep Appendix D Personnel Appendix as written.

Section J, Appendix J – Transition Plan

- 76. RFP Vol. I, Section/Part J Appendix J, Title Transition Plan, Page No. JJ 1:** This section includes the statement "the proposed transition activities and schedule will be finalized by the Contractor and approved by the Contracting Officer prior to the commencement of Transition Plan activities". Given a typical time interval from NTP to finalizing the Transition Plan and obtaining CO approval, this would indicate the NNSA's intent to not commence transition activities for several weeks after NTP. Is this accurate?

ANSWER: NNSA will hold a Post Award Conference shortly after the notice to proceed (NTP), which will start the successful offeror's transition period. At this time,

the successful offeror will be able to incur transition costs. Activities associated with the successful Offeror's Transition Plan will not commence until said plan is approved by the Contracting Officer.

Section K - Part IV Reps Certs and Other Statements of the Offeror

77. Conflict of Interest, Reference K-8

“A statement that no actual or potential conflict of interest or unfair competitive advantage exists with respect to the advisory and assistance services to be provided in connection with the instant contract or that any actual or potential conflict of interest or unfair competitive advantage that does or may exist with respect to the contract in question...”

Feedback

We request that NNSA provide guidance on what constitutes a conflict of interest. This guidance should take the form of a named list of contracts or activities that would present an appearance of conflict of interest that is not mitigable for purposes of this solicitation.

As well, we suggest that NNSA clarify the actions it has taken to prevent conflicts of interest. When NNSA temporarily employs individuals who are on leave from institutions or universities that may be involved in NNSA procurements while those individuals are temporarily employed at NNSA, does NNSA have guidelines or procedures that it implements to ensure that the temporary employees' status at NNSA does not create a conflict of interest that would preclude those institutions or universities from participating in a procurement? With respect to this Pantex procurement, have any such guidelines or procedures been implemented to ensure that any temporary employees' presence at NNSA does not preclude their full-time employers from participating in this procurement?

Rationale

1. Certain scope areas, such as information technology and cybersecurity, overlap with support currently being provided to NNSA through other contracts. A named list of contracts would assist Offerors in avoiding teaming with companies or hiring personnel that have participated in contracts that could provide grounds for protest of an award.
2. Certain potential Offerors and key personnel have provided or are currently providing advisory support to NNSA on various topics. A named list of activities would assist offerors in avoiding teaming with companies or hiring personnel that have participated in contracts that could provide grounds for protest of an award.
3. Providing a public acknowledgement that NNSA has already established and implemented conflict of interest guidelines will remove uncertainty among potential offerors and mitigate the risk that NNSA's employment of individuals on leave from an institution bidding on the procurement could be used as grounds for a protest.

ANSWER: FAR 9.505 provides the general rules regarding organizational conflicts of interests (OCIs), and FAR 9.505-1 through 9.505-4 illustrate the numerous situations where conflicts may arise. FAR 9.508 provides several more detailed examples of situations where OCIs may arise, and states that these examples are not all-inclusive. Offerors can find more information on OCI in DOE's acquisition guide found at the

following link: [DOE Acquisition Guide FY 2023 Version 4.1 \(energy.gov\)](https://www.energy.gov/procurement/procurement-guide). In accordance with Section K Provision DEAR 952.209-8, it is the Offeror's responsibility to state any past (within the past twelve months), present, or currently planned financial, contractual, organizational, or other interests relating to the performance of the statement of work for all of their team members. Offerors shall seek this information from their potential team members, not NNSA.

Individuals participating in M&O procurements are required to sign confidentiality agreements and disclose any potential personal or organizational conflicts of interest. Individuals are then vetted based on those conflicts. No individuals who are on leave from other institutions and are employed by the NNSA have been involved in the procurement process for this requirement.

78. **Section L-9(c)(5); K-8 (DEAR 952.209-8) Conflict of Interest. Volume I L-9, Proposal Preparation Instructions. Section K representations, certifications and other statements of offer (5) Page 9** The Draft RFP requires disclosures of past (within the past twelve months), present, or currently planned financial, contractual, organizational, or other interests relating to the performance of the statement of work. Section K-8 states that enough information must be provided to allow a meaningful evaluation of the potential effect of the interest on the performance of the statement of work. Section K-8 further states that, for any actual or significant potential organizational conflict of interest, the offeror shall also submit a plan of actions/activities to avoid, neutralize, or mitigate such conflict. *Please clarify that any circumstances that might give rise to an allegation of an appearance of impropriety--for example, if an employee of the offeror or an offeror's team member is working at NNSA while on leave from the offeror or team member--should be discussed in response to the referenced RFP provisions.*

ANSWER: An Offeror is free to discuss in its response to K-8 any circumstances as related to its proposal that the Offeror believes may present an appearance of impropriety issue for the procurement.

Section L – Instructions, Conditions, and Notices to Offeror

79. **L-7 & L-11:** Section L-7, page 4, states fee amounts shall not exceed the total available fee allowed by the fee policy at 48 CFR 970.1504-1-1. L-11 states the proposed TAF shall not exceed 3.25% of the forecasted fee base for each Contract Period. These conflicting instructions require resolution.

Using the forecasted budget for Base Year 1 of \$1,230,000,000, and excluding 15%, the fee base of \$1,045,500,000 in Section L, Attachment H, is derived. Using the Production Fee Table in 970.1504-1-6, a maximum fixed fee of \$8,552,706 is calculated (\$6,097,965 Fee Table + \$2,454,750 (.45% on the increment above \$500,000,000)). Using a Facility/Task Category A and Classification Factor of 3.0 from 970.1504-1-9 for award fee calculation provides a maximum total award fee amount of \$25,658,118.

However, applying the L-11 3.25% limit to the above fee base amount yields a maximum TAF of \$33,978,750, which is unobtainable under 48 CFR 970.1504-1-1 without a significant, and undefined, manipulation of the fee policy.

It is also noted that given the formula in L-11(b), page 18, using the 3.25% limit yields a different fee amount than simple application of the fee limit percentage to the fee base, i.e., \$32,909,200 vs \$33,978,750. Please correct this. It would appear the proposed fee percentage could simply be applied to the fee base amount without additional calculations.

Suggestion: It is recommended that L-7 be deleted to eliminate this conflict and provide clear instructions to offerors. Offerors should be free to propose fixed fee and award fee amounts within the restrictions of L-11(b).

ANSWER: The 3.25% limitation on fee is consistent with NNSA's application of DEAR 970.1504-1-6 and 970.1504-1-9. Work scope is not exclusively assigned to the Production fee table, and the forecasted budget is inclusive of fee bearing costs, non-fee bearing costs, and the fee itself. Section L, Attachment H, provides the calculation of the fee base in Column B of the CLIN 0002 M&O Fee worksheet. This formula contemplates both the fee amount and non-fee bearing costs (i.e., exclusion rate of 15%) to determine the fee base. Section L-7 will remain as written.

80. L-8(a)(2)(ii), Page 5 and M-3, Criterion 3, Page 4: Team Member" is a member of a "contractor team arrangement", as defined in FAR 9.601, Contractor Team Arrangement. The Offeror shall not submit the information required at Sections L-9(c), L-9(d), and L-10 (c), Criterion 3, Past Performance, for team members with a proposed work scope less than \$50 million over the Base Period.

Comment-There might be instances where there is a need for a team member, including a small business partner, to provide critical expertise that might not amount to \$50 million over the Base Period. These team members would be important in terms of ensuring mission success, and Past Performance of these team members should be allowed in Sections L-9(c), L-9(d) and L-10(c).

Recommended Change to Draft RFP- L-8(a)(2)(ii), Page 5 "The Offeror shall not submit the information required at Sections L-9(c), L-9(d), and L-10 (c), Criterion 3, Past Performance, for team members with a proposed work scope less than \$50 million over the Base Period unless the team member is proposed to perform work deemed critical to the performance of the contract." M-3, Criterion 3, Page 4 "The contracts reviewed for Past Performance will include all recent and relevant contracts submitted by Offerors along with recent and relevant NNSA contracts that can be attributed to any Offeror Team Member with a proposed work scope greater than \$50 million over the Base Period or contracts deemed critical to the performance of the contract."

ANSWER: The Government appreciates the feedback; however, the Government has determined the past performance threshold will remain unchanged.

81. RFP Vol. II, Section/Part L-8(b), Title Solicitation Questions/Reading Room

Information, Page No. L 5: We would suggest that providing the “Question Submittal Template” in the form of a spreadsheet template would ensure all questions are submitted in the same format and would, therefore, be easier to track for response.

ANSWER: Section L-8(b) sets forth the format in which the questions should be submitted.

82. Section L-8(d) Page Limitations and Exceptions limits the Technical and Management Information (Volume II) to twenty-five (25) pages. We believe that this is not sufficient page space to address the required areas in Section L-10. While we agree that lower page limits benefit both the government and bidders, we recommend an increase in page limit in this case due to the inclusion of the Technical Approach Criterion. Section L-10(a) asks highly relevant questions, but the page limitation will force a very high-level response. We suggest that twenty-five (25) pages alone would be more appropriate for this important sub-part, especially since it is the most heavily weighted Criterion. More pages will enable bidders to distinguish themselves with, and allow NNSA evaluation of, proofs of merit of approach. We recommend an increase in the page limit for the Technical and Management Information (Volume II) found in L-8(d) from 25 to 45 pages to allow adequate description of approach for full evaluation by NNSA.

ANSWER: NNSA appreciates the feedback. The page limit for Technical and Management Information will be increased to thirty (30) pages.

83. RFP Vol. II, Section/Part L-8(e)(2), Title Font and Spacing, Page No. L 7: “...excessive use of graphs, figures, charts, and tables may result in unilateral truncation...” We are concerned that this language may result in different interpretations by the Offerors. We request that a more specific definition be provided for what will constitute excessive use of the graphics. We suggest somehow limiting or quantifying the extent that graphics can be used, e.g., limit the number of 11x17s, designate a maximum percentage or space that can be allocated to graphics.

ANSWER: NNSA appreciates the feedback but declines to set forth limits on graphics.

84. L-9(d): L-9(d) states “The Offeror shall submit the last three annual reports (i.e., business reports) for the parent organization(s) providing the Performance Guarantee Agreement(s).”

Suggestion: Please clarify the level of the parent to provide the Performance Guarantee Agreement; Is it the parent organization of a newly formed LLC which is the Offeror or is it the ultimate parent organization of the LLC Member. Wholly owned subsidiaries of large corporations are included in the ultimate parent’s consolidated financial statements, not reported separately.

ANSWER: DEAR Section 970.0970-1 Determination of responsibility discusses responsibility requirements for Contracting Officers awarding M&O contracts to companies organized as these separate corporate entities. The Contracting Officer is required to determine that the prospective contractor is a responsible contractor and is capable of providing all necessary financial, personnel, and other resources in performance of the contract. To that end, the parent providing the performance guarantee shall be able to supply the necessary resources to the prospective contractor and to assume all contractual obligations of the prospective contractor. The Offeror must determine the identity of the entities providing the performance guarantee.

- 85. Section L-9(e)** states “The Offeror shall submit a Small Business Subcontracting Plan for Government fiscal year 2025 through 2045...” We recommend changing the end date to 2030, for a 5-year Small Business Subcontracting Plan. A 20-year small business plan cannot realistically account for turnover in small businesses or dramatic changes anticipated in available technologies and services applicable to the SOW in even the next 5 to 10 years. Since the plan is updated annually, including an additional 15 years in the original plan does not add value to evaluation of proposals.

ANSWER: The FAR requires small business subcontracting plans to cover the entire contract period (including options); therefore, the language in Section L-9(e) will remain unchanged. Please note Small Business Subcontracting Plans will be updated annually and shall be incorporated into the Contract by a separate supplemental agreement contract modification.

- 86. Section L, Provision L-10 Proposal Preparation Instructions Volume II, Technical and Management Information – contains new instructions, such as submission of a technical approach.**

As indicated in Section M, we agree that a technical and management approach is the most crucial factor. Therefore, we suggest that there also needs to be a management component in the subsections. The current DRFP appears to be more a management approach rather than a technical one. We suggest keeping the section as a Technical and Management approach, but also include a technical component to the subsections that you would want offerors to address to show a clear understanding of the complexities of managing the sites while maintaining the three that are there and bin them as either technical or management.

ANSWER: NNSA appreciates the feedback; however, the Government declines to change L-10(a).

- 87. Section B, Clause B-2 Contract Type and Value**

We would request that NNSA include relevant criteria that allows for differentiation and evaluation of the capability to self-perform construction to support mission-enabling projects.

Section B-H, H-18 Page 36 – “CCO may direct additional projects to CLIN 0004 for the contractor to manage or self-perform.” It is noted throughout the EMDI that NNSA is

interested in having more wholistic approaches for construction support to enable the mission.

We didn't see criteria in the draft RFP that would allow this to be seen as a major plus in evaluation outside of Past Performance.

ANSWER: The Government appreciates the feedback; however, the Government has limited the technical approach criterion to the elements included in L-10(a).

88. Section H, Clause H-17 Parent Organization – contains new requirements for Parent Organizations

We recommend that additional guidance around overall expectations for reach back be detailed in terms of how it may be addressed in the performance review during execution.

The addition of pushing for strong parent company involvement is a section from the EMDI report that we are glad to see was put in.

Also, given this is a highlighted point for this bid, we would recommend that while addressing the guidance, that it become a part of Section L that the bidders will have to write to and then add some evaluation criteria in Section M. This will reinforce that this key concept is one that the bidders should embrace for this project.

ANSWER: The Government appreciates the feedback; however, the Government has limited the technical approach criterion to the elements included in L-10(a).

89. L-10 (a) Technical Approach, Page 10: (a) Criterion 1: TECHNICAL APPROACH

The Offeror shall provide a Technical Approach that addresses the following elements:

- (1) The Offeror shall describe its strategy for achieving mission objectives in an environment where there are a number of high priority concurrent mission objectives and important dependencies on other NNSA laboratories and plants and external vendors;
- (2) The Offeror shall describe how it will identify and address aging infrastructure needs and upgrades while continuing to execute the Pantex Plant mission in a safe, secure environment;
- (3) The Offeror shall describe the strategies it will implement to sustain and improve operations

at the Pantex Plant to include, but not limited to, minimizing operational interrupts, ensuring required workforce availability, and planning for increased mission deliveries to the DoD.

Comment 1-Given the complexity related to the separation of Pantex and Y-12, it is critical that the selected contractor has experience and methods or best practices to ensure a smooth separation that does not impact the ongoing mission of Pantex or Y- 12. Providing a strategy for the separation activities would provide a means to show the selected contractor understands the issues related to separation and can effectively perform those activities.

Recommended Change to Draft RFP: Add an additional element to L-10(a); “The Offeror shall describe its strategy for separation of all systems, procedures, policies and other items from the existing contractor’s combined Y-12/Pantex operation. At the conclusion Pantex will operate on their own and with no impact to the ongoing mission.”

Comment 2- Given the importance of IT and particularly cyber security and the issues related to cyber security at the sites, it is important that the selected contractor has the requisite experience and knowledge to develop the strategies and plans necessary to improve IT/cyber security to increase plant efficiency and reduce risk of any operational/security issues.

Recommended Change to Draft RFP: Add an additional element to L-10(a); “The Offeror shall describe how it will modernize information technology systems and implement a comprehensive, modern, risk-based cyber security program.”

Comment 3- We agree with the new language contained in the RFP (Section H-17) that will strengthen the role the parent organizations play in the stewardship and oversight of the Pantex Plant. However, it is important that the Offeror demonstrate in its proposal that they are committed to have the parent companies truly provide measurable assistance to Pantex.

Recommended Change to Draft RFP: Add an additional element to L-10(a); “The Offeror shall describe its Parent Organization Plan related to stewardship, oversight and reachback that demonstrates how this plan will effectively utilize parent company resources to assist in the management and oversight of the Pantex Plant.”

ANSWER: The Government appreciates the feedback; however, the Government has limited the technical approach criterion to the elements included in L-10(a).

- 90. Site Separation** – We would recommend that specific inclusion of Site Separation capabilities, experience, and approach (e.g., information technology and cybersecurity operations) be included as part of the Final RFP. Following the NNSA focus on this item including specific reference in the Draft RFP Announcement, this should be added in Section L Instructions to Offerors, L-10(a), Criterion 1, Technical Approach (additional bullet item on Draft RFP Section L, page 10.). This addition will ensure that this part of the proposal is specifically evaluated and rated. Example wording could be: “The Offeror shall describe its strategy for separation of all systems, procedures, policies, and other items from the existing contractor’s combined Y-12/Pantex operation. At the conclusion, Pantex will operate on their own and with no impact to the ongoing mission.”

ANSWER: The Government appreciates the feedback; however, the Government has limited the technical approach criterion to the elements included in L-10(a).

- 91. Information Technology and Cybersecurity** – Given the specific cited challenges in this area for the current program along with the ongoing heightened threat to National Security and across the Nuclear Security Enterprise (NSE), we would recommend that this be added in Section L Instructions to Offerors, L-10(a), Criterion 1, Technical Approach (additional

bullet item on Draft RFP Section L, page 10.). This addition will ensure that this part of the proposal is specifically evaluated and rated. Example wording could be: “The Offeror shall describe how it will modernize information technology systems and implement a comprehensive, modern, risk-based security program.”

ANSWER: The Government appreciates the feedback; however, the Government has limited the technical approach criterion to the elements included in L-10(a).

92. L-10 (a), Criterion 1: TECHNICAL APPROACH, Technical Approach elements

Given the complexity related to the separation of Pantex and Y-12, it is critical that the selected contractor has experience and an approach to ensure an orderly separation that does not impact the ongoing missions at each site. We suggest adding an element that allows offerors to describe their approach, such as “The Offeror shall describe its strategy for separation of all systems, policies procedures, and other items from the existing contractors combined Y-12/Pantex operation. At the conclusion Pantex will operate on their own and with no impact to the ongoing mission.”

ANSWER: The Government appreciates the feedback; however, the Government has limited the technical approach criterion to the elements included in L-10(a).

93. L-10 (a), Criterion 1: TECHNICAL APPROACH, Technical Approach elements

Given the importance of IT and particularly cyber security and the issues related to cyber security, it is important that the selected contractor has the requisite experience and knowledge to develop the strategies and plans necessary to improve IT/cyber security to increase plant efficiency and reduce risk of any operational/security issues. We suggest adding an element that allows offerors to describe their approach, such as “The Offeror shall describe how it will modernize information technology systems and implement a comprehensive, modern, risk-based security program.”

ANSWER: The Government appreciates the feedback; however, the Government has limited the technical approach criterion to the elements included in L-10(a).

94. L-10 (a), Criterion 1: TECHNICAL APPROACH, Technical Approach elements

We agree with the new language contained in the RFP (Section H-17) that will strengthen the role the parent organizations play in the stewardship and oversight of the Pantex Plant. We suggest adding a Technical Approach element that allows offerors to describe their approach, such as “The Offeror shall describe its Parent Organization Plan related to stewardship, oversight and reachback that demonstrates how this plan will effectively utilize parent company resources to assist in the management and oversight of the Pantex Plant.”

ANSWER: The Government appreciates the feedback; however, the Government has limited the technical approach criterion to the elements included in L-10(a).

95. Section L-10 - Volume II, Technical and Management Information (a) Criterion 1: Technical Approach, Section M-4 Technical and Management Criteria; Criterion 1: Technical Approach, Section L, Page 10Section M, Page 3

To better understand the offeror's transition approach, schedule, and to adequately evaluate the realism of the proposed transition cost of CLIN 0001, a transition plan should be an evaluated part of the technical approach submitted with the proposal.

Recommendation: Request a transition plan be required as part of Volume III Technical and Management Information and increase page limitation by 5 pages to accommodate.

ANSWER: NNSA appreciates the feedback, however, the Government intends to keep L-10(a) as is.

96. Criterion 1 Technical Approach

The requirement for discussion of technical approach to execution and evaluation of it as the most important Criterion are appropriate to understand the best value offering for the complex scope of NNSA production site M&O contract. Raising the importance incentivizes integration of management approach into technical approach and facilitates NNSA evaluation of bidders' potential success in ensuring mission delivery.

We recommend adding a fourth element to L-10(a) to require discussion of bidders' technical approach to operations/manufacturing as an inherent aspect of contract execution to support NNSA mission delivery.

ANSWER: The Government appreciates the feedback; however, the Government has limited the technical approach criterion to the elements included in L-10(a).

97. Volume II, Technical and Management Information, L.10 Proposal Preparation

Instructions (a) Criterion 1 Technical Approach (1), Page 10: A sentence says, "Offeror shall describe its strategy for achieving mission objectives." *Objectives are discussed throughout the DRFP documents including the scope of work. Are the mission objectives defined as the six strategic objectives contained in the SOW, 1.0 Objective? If these are not all inclusive, please fully define the mission objectives to be addressed.*

ANSWER: Pantex operations have historically had several high-priority mission objectives/deliverables that are identified long-term and with increased specificity as the year of execution approaches. Specific strategic objectives are well represented by the detailed list and supporting sections provided in the SOW. NNSA is looking for the overarching technical approach to plant execution/operations being proposed recognizing there will often be multiple high priority mission objectives at the same time in an environment where high levels of safety, security, quality and maintaining agreed upon DoD deliverables is paramount.

- 98. RFP Vol. II, Section/Part L-10(a)(1), Title Criterion 1: Technical Approach, Page No. L 10:** We noted that the mission objectives in this paragraph are somewhat different than those described in Chapter 1 of the SOW. Is the intent for these to be the same?

ANSWER: Pantex operations have historically had several high-priority mission objectives/deliverables that are identified long-term and with increased specificity as the year of execution approaches. Specific strategic objectives are well represented by the detailed list and supporting sections provided in the SOW. NNSA is looking for the overarching technical approach to plant execution/operations set forth in the SOW, recognizing there will often be multiple high priority mission objectives at the same time, in an environment where high levels of safety, security, quality and maintaining agreed upon DoD deliverables is paramount.

99. RFP Volume II – Technical and Management Information, Section L /L-10 Proposal Preparation Instructions – Volume II, Technical and Management Information, Section L Page 10.

Question: While the word objective or objectives appears in the draft RFP 28 times, the words “mission objectives” only appear in L-10 (a)(1), H-35 (key personnel), and are referenced in SOW 4.4.1 (Contractor Assurance System). The other uses of the word “objectives” are tied to “contract objectives” and not mission objectives. For example, SOW 1.0 states: “The objective of this Contract is to obtain nuclear production operations services, long-term plant modernization and capability enhancement/stewardship along with other required services to support National Nuclear Security Administration (NNSA) and broader national security requirements assigned to the Pantex Plant.” However, there are at least three different listings of contract objectives with the most comprehensive being the list of six “specific” objectives that appears starting on Page 3 of Section J, Attachment A. On the Pantex website

(<https://pantex.energy.gov/mission#:~:text=Pantex%20builds%20and%20delivers%20nuclear,the%20lives%20of%20these%20weapons.>) under “Mission,” it provides four major mission areas – providing the nuclear deterrent, ensuring the stockpile is strong and viable, reducing the number of nuclear weapons in the stockpile, and supporting the stockpile as the High Explosives Center of Excellence. NNSA overall lists on its website four mission priorities: “NNSA Mission Priorities – Mission Priority 1: Design and deliver the Nation’s nuclear stockpile; Mission Priority 2: Forge solutions to enable global security and stability; Mission Priority 3: Harness the atom to power a global naval fleet; and Mission Priority 4: Leverage transformative technologies to address emerging challenges.” Please provide direction on what listing of “mission objectives”, Offerors shall use in responding to Section L-8(a)(1) where we are asked to “(1) The Offeror shall describe its strategy for achieving mission objectives in an environment where there are a number of high priority concurrent mission objectives and important dependencies on other NNSA laboratories and plants and external vendors.”

ANSWER: Pantex operations have historically had several high-priority mission objectives/deliverables that are identified long-term and with increased specificity as the year of execution approaches. Specific strategic objectives are well represented by the detailed list and supporting sections provided in the SOW. NNSA is looking for the overarching technical approach to plant execution/operations set forth in the SOW, recognizing there will often be multiple high priority mission objectives at the same

time, in an environment where high levels of safety, security, quality and maintaining agreed upon DoD deliverables is paramount.

100. Mission Objectives Proposal Requirement, Reference L-10(a)(1)

“The Offeror shall describe its strategy for achieving mission objectives...”

Feedback

Please provide direction on what listing of “mission objectives” offerors should use when developing their response to this proposal requirement.

Rationale

1. We were unable to identify a list of “mission objectives” in the RFP. Where “objectives” is used, the term appears to be tied to “contract objectives” and not mission objectives. For example, SOW 1.0 states: “The objective of this Contract is to obtain nuclear production operations services, long-term plant modernization and capability enhancement/stewardship along with other required services to support National Nuclear Security Administration (NNSA) and broader national security requirements assigned to the Pantex Plant.”
2. Providing a single list of “mission objectives” that all Offerors can reference will result in more consistent proposals that are easier to evaluate. As well, the evaluation will be easier to defend in the case of the protest.

ANSWER: Pantex operations have historically had several high-priority mission objectives/deliverables that are identified long-term and with increased specificity as the year of execution approaches. Specific strategic objectives are well represented by the detailed list and supporting sections provided in the SOW. NNSA is looking for the overarching technical approach to plant execution/operations set forth in the SOW, recognizing there will often be multiple high priority mission objectives at the same time, in an environment where high levels of safety, security, quality and maintaining agreed upon DoD deliverables is paramount.

101. RFP Vol. II, Section/Part L-10(a)(3), Title Criterion 1: Technical Approach, Page No.

L 10: Does the NNSA intend to provide offerors with the level of "increased mission deliveries to the DoD" referenced in the paragraph?

ANSWER: NNSA will not provide the level of deliveries at this time. The intent is to give Offerors notice that DoD deliverables are anticipated to increase during the contract term. The actual numbers will be negotiated on a yearly basis.

102. RFP Vol. II, Section/Part L-10(b)(2), Title Criterion 2: Key Personnel and Oral

Presentation, Page No. L 11: We are concerned that the limit of up to five Key Personnel may be too limiting to demonstrate the Contractor’s readiness to assume responsibility for the Pantex Plant and provide the leadership for its newly separated functions. In this regard, we note that the last RFP only specified a minimum, the prior one had no limits. Would the NNSA consider allowing the Offeror to determine the number of Key Personnel to name in

its proposal, thus showing an appropriate commitment of leadership dedicated to the Pantex Plant?

ANSWER: NNSA appreciates the feedback; however, the number of Key Personnel specified in L-10 (b)(2) will remain unchanged.

103. Volume II, Technical and Management Information, L.10 Proposal Preparation (b) Criterion 2: Key Personnel Team and Oral Preparation, Page 11. A sentence says: “(2) Offeror shall propose up to five key personnel positions it considers to be essential to the successful accomplishment of the SOW. *Potential offerors may have proposed solutions that require greater than 5 key personnel to successfully accomplish the SOW. Would NNSA consider raising the number of key personnel to “up to 10 key personnel positions?”*”

ANSWER: The Government appreciates the feedback; however, the number of Key Personnel specified in L-10 (b)(2) will remain unchanged.

104. In Section L-10(b) Criterion 2: Key Personnel Team and Oral Presentation, we applaud the adjustment from previous RFPs that dictate the required key positions. However, this DRFP directs that there can only be a maximum number of five (5) Key Personnel. We recommend that NNSA remove this limit and let Offerors develop the organization structure with the supporting management team that addresses the requirements, provides best value, and can successfully deliver this critical mission.

ANSWER: NNSA appreciates the feedback; however, the number of Key Personnel specified in L-10 (b)(2) will remain unchanged.

105. Number of Key Personnel, Reference L.10(b)(2)
“The Offeror shall propose up to five Key Personnel...”

Feedback

We suggest that Offerors should be allowed to propose up to seven Key Personnel.

Rationale

1. Raising the limit would increase the number of viable bidders. Teams whose key personnel have less on-site experience may need a greater number of key personnel to respond credibly to technical/managerial problems.
2. Getting more highly qualified people committed to Pantex would provide greater assurance to NNSA of mission delivery.

ANSWER: The Government appreciates the feedback; however, the Government has determined the number of Key Personnel specified in L-10(b)(2) will remain unchanged.

106. Section L, Instructions Conditions and Notices to Offeror, Item (b) Criterion 2 Key Personnel, page no. 11. Paragraph 2 states that “the Offeror shall propose up to five Key Personnel it considers to be essential [...]”

Would the Government consider increasing Key Personnel teams' ability to respond to technical problems and critical scope areas by increasing the number of Key Personnel from 5 to 8?

ANSWER: The Government appreciates the feedback; however, the number of Key Personnel specified in L-10 (b)(2) will remain unchanged.

107. L-10(b)(2), Criterion 2: KEY PERSONNEL AND ORAL PRESENTATION, Key Personnel Positions

We recommend that 2 or 3 of the five key positions be mandated by DOE in the RFP and be common to all offerors. Examples are Program Manager, Chief Information Officer Site Manager, or Environment, Safety, and Health Manager. We agree with the other 2 or 3 positions being named at the discretion of the offerors.

ANSWER: The Government appreciates the feedback; however, the Government intends to keep the language at L-10(b)(2) as is to allow all offerors the flexibility in determining the positions the offerors consider to be key in leading/managing the Plant.

108. RFP Vol. II, Section/Part L-10 (b) 1, L-10 (b) 3, Title Criterion 2: Key Personnel and Oral Presentation, Page No. L 11, 12: L-10(b)1. last sentence is repeated in L-10(b)3., while L-10(b)3. adds "in a complex mission environment that includes aging infrastructure and a high level of interdependence ..." To eliminate this apparent redundancy and to better align with section, Page No. M-4, Criterion 2, will the NNSA consider deleting the last sentence of L-10(b)1. and add the following first sentence to L-10(b)1.? -- "The Offeror shall describe how its proposed organizational structure, to include Key Personnel and Managers that report directly to any Key Person, effectively allows the Key Personnel Team to work together to successfully lead the Offeror's organization in executing the SOW."

ANSWER: NNSA appreciates the feedback and revised Section L-10(b) for clarity.

109. L-10(b)(1) and L-10(b)(3), Criterion 2: KEY PERSONNEL AND ORAL PRESENTATION

Section L-10(b)(1) last sentence states that "the Offeror shall describe how the Key Personnel Team will work together to successfully lead the Offeror's organization in executing the statement of work (SOW)". Section L-10(b)(3) states that "the Offeror shall describe how its Key Personnel Team will work together to execute the SOW in a complex mission environment that includes aging infrastructure and a high level of interdependence on other NNSA Nuclear Security Enterprise (NSE) entities". These two sections seem to be asking for the same information twice.

Please clarify where are the Offerors required to describe how the Key Personnel Team will work together (i.e., as part of item (1) or item (3)).

ANSWER: NNSA appreciates the feedback. Section L-10(b) was revised for clarity in the final RFP.

110. Criterion 2: KP Team and Orals

Allowing bidders to have full discretion on which are Key Positions is beneficial because it allows flexibility to identify the best qualified team to support a complementary approach to execution. Flexibility to self-identify the number of Key Personnel, integrated with determining their roles and responsibilities and organizational structure, best enables development of a commercial-based management approach to deliver high performance at Pantex. Best performance is delivered when the contractor has the flexibility to align their management approach, organization structure, and Key Personnel strategically and directly.

Further, the current recruiting environment is challenging. The geographic location of Amarillo is less attractive to some prospective Key Personnel as compared to other U.S. locations. Making Key Personnel incentive compensation an unallowable cost borne by the parent company (“funded” out of already low fee) further reduces the ability to attract and retain top talent. We suggest that incentive compensation be an allowable cost. We understand there is a mandated salary cap, but there may be flexibility to allow retention agreements, performance incentives, and commercial incentives like stock options beyond base salary.

ANSWER: NNSA appreciates the feedback; however, the number of key personnel specified in L-10 (b)(2) will remain unchanged. Additionally, Key Personnel bonuses, such as incentives, will remain unallowable costs as stated in H-26.

111. Criterion 2: KP Team and Orals

We advocate NNSA maintain continuity at the senior leader level by requiring a longer tenure for the Site Leader/Program Manager beyond the three-year requirement. In addition, we recommend permitting an allowable incentive offer for the key leaders who stay beyond their three-year commitment. On the penalties related to the commitments, we feel the structure contained in the Pantex Draft RFP is more equitable, calculated in relation to the base salary rather than a lump sum, and will tend to enhance participating in the competition.

ANSWER: NNSA appreciates the feedback, however, NNSA intends to keep H-35 (a) as written.

112. Criterion 2: KP Team and Orals

We recommend NNSA require and allow the page length for, presentation of an organizational chart and associated rationale. This is fundamental to justifying which positions are Key and it underpins the technical and management approach.

ANSWER: NNSA intends to increase the Technical and Management Information page limit to thirty (30) pages. Please see L-8(d).

113. Criterion 2: KP Team and Orals

All potential key personnel are critical members of the organization they currently lead. The proposal development process is an arduous undertaking. Scheduling orals immediately after submittal of proposals presents Key Personnel with additional distraction from their mission execution concurrent with the proposal development and orals preparation. In addition, if there are multiple bids, those potential Key Personnel teams that go last have a significant advantage in terms of relative preparation time over those that go first. We recommend consideration of whether the procurement schedule could accommodate orals 20 to 30 days after submittal to equalize the preparation time and allow Key Personnel to remain focused on their current mission proposals until submittal, both resulting in better value to NNSA.

ANSWER: NNSA changed L-10(b)(4)(iii) to provide that oral presentations will commence approximately 4-6 weeks following proposal submission.

114. Criterion 2: KP Team and Orals

We favor problem solving scenario Orals because they allow Key Personnel teams to demonstrate their cohesion, coordination, and complementary skills to execute the proposed approach while under pressure. This is valuable to NNSA because it provides a forecast of how bidders' management team interface work during challenges as well as day-to-day situations. We also recommend consideration of interviews of Key Personnel in addition to the scenario approach. This provides better value to NNSA by further enabling evaluation of communication styles and interpersonal dynamics that will indicate potential performance after award.

The language in the orals section implies that a Final Proposal Response is planned. Please consider clarifying whether it is NNSA's current intention to issue a FPR.

ANSWER: NNSA appreciates the feedback. As noted in L-13, the Government intends to evaluate proposals and award a contract without discussions with Offerors, except clarifications as described in FAR 15.306(a). However, the Government reserves the right to conduct Discussions in accordance with FAR Part 15.306(d).

115. RFP Vol. II, Section/Part L-10(b)(4)(ii), Title Criterion 2: Key Personnel and Oral Presentation, Page No. L 13: Conducting oral presentations starting five days after submittal seems to be less than optimal for the NNSA's assessment of Key Personnel and the Offeror's Key Personnel team. Additionally, the optimal proposal will include Key Personnel as critical participants in its preparation. Holding the orals so close to proposal submittal will necessitate that the Key Personnel spend time during proposal generation preparing for orals, this is less than ideal and will likely result in a compromised proposal and / or orals presentation. Would the NNSA consider conducting orals two weeks after proposal submittal to facilitate adequate time to align logistics and provide the NNSA a better opportunity to evaluate Key Personnel resumes before orals?

ANSWER: NNSA is considering changes to L-10(b)(4)(iii) and will include any revisions in the final RFP.

116. RFP Vol. II, Section/Part L-10(b)(4)(v), Title Criterion 2: Key Personnel and Oral Presentation, Page No. L 13: Is the NNSA contemplating holding the orals presentation in person or remotely?

ANSWER: The Government intends to hold oral presentations in person in Albuquerque. Please see L-10(b)(3(iv)).

117. L-10(b)(4)(iv), Criterion 2: KEY PERSONNEL AND ORAL PRESENTATION

Oral Presentation Location - We request that the oral interviews take place in person as opposed to a virtual or video conference presentation, if possible.

ANSWER: The Government intends to hold oral presentations in Albuquerque. Please see L-10(b)(3(iv)).

118. Will NNSA provide more supporting information regarding the conduct of orals? Will they be live or virtual, and if live, what is the location? Will the questions be presented in a round-table discussion? Will the questions be related to specific operational examples or sample problems?

– In order to effectively prepare our Key Personnel for the oral presentations, We believe more information is needed about what will be asked. This information will vastly improve our Key Personnel’s ability to provide effective presentations. Further, we believe that in-person oral presentations are the most beneficial for all parties involved, but regardless of live or virtual sessions, we would like to know as soon as possible to that we can plan and prepare our Key Personnel accordingly.

ANSWER: The Government intends to hold oral presentations in person in Albuquerque. Please see L-10(b)(3(iv)).

119. Section L-10(b)(4)(v)(D). Video Recording.

This section states “No copies will be provided to the Offeror.” Please consider revising this to read “Copies of the Offeror’s video will be made available to the Offeror upon request at the conclusion of the procurement process.” We believe that it is standard practice to provide a copy of the video on request. Study of the video after award will provide Offerors the opportunity to identify ways to strengthen their performance working together as a team.

ANSWER: NNSA has considered this request, however, NNSA does not intend to revise the language in Section L-10(b)(4)(v)(D).

120. Conduct of Key Personnel Oral Presentations: Please clarify whether the orals will be virtual or live and the location, and provide information about the questions/topics that the individual personnel, team, or both should expect. This information ensures that Key Personnel are fully and appropriately prepared.

ANSWER: The Government intends to hold oral presentations in person in Albuquerque. Please see L-10(b)(3(iv)). Oral presentations will involve technical/managerial problems representative of the activities in the Statement of Work (Section J, Appendix A) with emphasis on some or all of the following: both near-term and long-term nuclear facility operations including integration of safety, security, quality and modern information technology into operations; protection of the public, the workers, and the environment; infrastructure and capital projects completion; Mission Deliverables completion; Contractor Assurance System implementation and Administrative Cost control.

121. Will specific guidance related to Oral Presentation be provided at the Final RFP release? i.e., location, the in-person requirement (which is preferred), the question sets, agenda outlines, etc.

ANSWER: The Government intends to hold oral presentations in person in Albuquerque 4-6 weeks following submission of proposals. Please see L-10(b)(3(iv)).

122. L-10(b)(4)(v)

Suggestion: Please clarify the anticipated time duration for the Oral Presentation and the general format for the technical/managerial problems. For example, is it the government's intent to provide 1 to 3 technical/managerial problems at the onset to the Offeror's Key Personnel and the Team will have 60 minutes to solve them and present their solutions?

Suggestion: In addition, we recommend the location and week of the Orals be included in the Final RFP to allow for proper planning since the Oral Presentation will take place in such a short turnaround.

ANSWER: The Government appreciates the feedback and will consider the suggestion. NNSA will provide the timeframe and location of oral presentations in the final RFP.

123. L-10(c)(2), CRITERION 3: PAST PERFORMANCE, Relevant Past Performance

We request that DOE provide as much detail as possible with respect to the relative dollar value and FTEs for various scope areas. This will help us to choose partners and past performance projects that are relevant in terms of size for partners that are performing specific sections of the SOW.

ANSWER: Information regarding the Pantex Plant budget can be found on page 8 of the Pantex Overview Public Brief, which was posted to the NNSA Pantex Plant M&O Contract Competition website, as well as SAM.gov and FedConnect.

124. L-10 (c) (2), Page 14 and M-3, Criterion 3 Past Performance, Page 4: Relevant past performance is performance that is similar in size, scope and complexity to the requirements in the Statement of Work (SOW). Where an Offeror has proposed a Team Member to

perform only specific sections of the SOW, the relevance of the Team Member's past performance contracts will be determined based on consideration of the specific sections of the SOW the Team Member is proposed to perform, as opposed to the entire SOW. However, as the Offeror and/or Team Members that make up the Offeror (not Subcontractor Team Members), are responsible for performance of the entire SOW NNSA may consider, as appropriate, past performance that may not correlate with a Team Member's proposed role under this solicitation if the past performance is relevant to the SOW.

Comment: The highlighted section in L-10(c)(2) allows Team Members to utilize past performance relevant to the SOW. However, this could be strengthened to ensure this criterion is evaluated consistently. It still states "as appropriate" but clarifies that the performance will be considered.

Recommended Change to Draft RFP: In Section L-10(c)(2) and Section M-3, Criterion 3, change "NNSA may consider" to "NNSA will consider"

ANSWER: The Government appreciates the feedback, however, the Government has determined the language in L-10(c)(2) will remain unchanged.

125. Relevant Past Performance – To avoid possible confusion, we would recommend the following change below to allow a Team Member, as part of the Offeror, for specialty work to bring particular skills of the Scope and Complexity for the work to be performed:

Remove the third (3rd) sentence in Section L, Page 14 Criterion 3: PAST PERFORMANCE, item (2) Relevant Past Performance that states the following: "However, as the Offeror and/or Team Members that make up the Offeror (not Subcontractor Team Members), are responsible for performance of the entire SOW NNSA may consider, as appropriate, past performance that may not correlate with a Team Member's proposed role under this solicitation if the past performance is relevant to the SOW."

If not deletion of the referenced sentence above, we recommend the change of "may consider" to "will consider."

ANSWER: The Government appreciates the feedback, however, the Government has determined the language in L-10(c)(2) will remain unchanged.

126. Section L, Criterion 3: Past Performance; (c) Format and Records. Page L-14. Offerors are required to provide "copies of any award fee determinations, performance evaluation reports, small business achievement such as Individual Subcontract Report and Summary Subcontract Report (ISRs/SSRs), or other documentation that reflects the customer's formal performance assessments." *Please provide examples of "other documentation"? Would email messages from clients discussing the quality of the Offeror's work be acceptable?*

ANSWER: NNSA's intent is for Offerors to submit formal performance assessments. NNSA does not consider email messages from clients to be formal assessments.

127. L-10 PROPOSAL PREPARATION INSTRUCTIONS – VOLUME II, TECHNICAL AND MANAGEMENT INFORMATION, (c) Criterion 3: PAST PERFORMANCE

(3) Format and Records

(i) Past Performance Information Forms (PPIFs)

“...If the Offeror is proposing a Team Member to perform or be responsible for a section of the SOW, the Offeror shall identify the Chapter and section(s) of the SOW (include task area from SOW) each Team Member is proposed to perform on the Past Performance Information Form (PPIF). The Offeror may propose Team Members that make up the Offeror (i.e., prime contractor), to lead or perform certain portions of the SOW, however, these Team Members are responsible for the entire SOW, regardless of the specific sections they are proposed to perform...”

(4) Number of Records.

“The Offeror shall describe at least one, but no more than three contracts for each proposed Team Member. For example, a team of four Team Members shall describe no more than 12 contracts (each on a separate PPIF). Contracts listed may include contracts with federal, state, and local Government, and contracts with commercial customers.”

Suggestions/Comments/Feedback: The PPIF instructions currently state the Offeror is to describe at least one but no more than three contracts for each proposed Team Member. Section L-10(c)(3)(i) further implies a Team Member may perform a section of SOW (i.e., Security). However, the following statement implies the Team Member that is performing a section of the SOW also is “...responsible for the entire SOW, regardless of the specific sections they are proposed to perform”.

Requesting clarification or modification to this statement in L-10(c)(3)(i) that seems contradictory to allow a Team Member to perform a portion of the SOW while also being responsible for the entire SOW. Recommend removing this portion of the instruction, “The Offeror may propose Team Members that make up the Offeror (i.e., prime contractor), to lead or perform certain portions of the SOW, however, these Team Members are responsible for the entire SOW, regardless of the specific sections they are proposed to perform.”

ANSWER: NNSA appreciates the feedback, however, NNSA will keep the language as is. The Offeror and each of the Team Members that make up the Offeror (not Subcontract Team Members) are responsible for performance of the entire SOW, therefore, NNSA reserves the right to consider past performance of the Offeror and/or Team Members that relate to portions of the SOW beyond the Team Member’s proposed role under this RFP.

128. Section L-Instructions Conditions and Notices to Offeror, c) Criterion 3: Past Performance, subsection 3, paragraph (ii), page no. 15. Paragraph (ii) requires that Past Performance Questionnaires be completed by both a technical and contracting point of contact.

Would the government consider revising this requirement to either a technical POC or contracting POC to reduce the burden on our customers and reduce response time?

ANSWER: NNSA appreciates the response; however, NNSA will not revise the language in Section L-10 (c)(3)(ii).

129. Performance Evaluation Reports, Reference L-10(c)(3)

“With each PPIF, the Offeror shall submit copies of any award fee determinations, performance evaluation reports, small business achievement such as Individual Subcontract Report and Summary Subcontract Report (ISRs/SSRs), or other documentation that reflects the customer’s formal performance assessments of the performance cited in the PPIF.”

Feedback

Please confirm that “past performance evaluations reports” do not include Contractor Performance Assessment Reports (CPAR) which are available to the Government in the Contractor Performance Evaluation System (CPARS).

Rationale

1. Per FAR 42.1501(b): “Agencies shall monitor their compliance with the past performance evaluation requirements (see 42.1502) and use the Contractor Performance Assessment Reporting System (CPARS) metric tools to measure the quality and timely reporting of past performance information. CPARS is the official source for past performance information.” If the Government were to utilize Offeror provided copies of CPARs submitted with a proposal, the Government is not relying on official data and risks utilization of altered Offeror-provided CPARs.
2. In accordance with FAR 42.1503(d): The completed evaluation shall not be released to other than Government personnel and the contractor whose performance is being evaluated during the period the information may be used to provide source selection information. Disclosure of such information could cause harm both to the commercial interest of the Government and to the competitive position of the contractor being evaluated as well as impede the efficiency of Government operations.” If Offeror is made up of Team Members, CPARS would have to be released to personnel other than the contractor who was evaluated to be able to compile for the proposal.

ANSWER: The Offeror shall submit associated CPARS entries. Section L-10(c)(3) has been updated for clarity.

130. Criterion 3: Past Performance

The requirements and evaluation approach for this Criterion seem appropriate. We recommend eliminating the requirement to submit publicly available information and information otherwise readily available to NNSA, such as annual reports, award fee determinations, or Performance Evaluation Reports (PERs). Thousands of pages, significant effort, and cost are expended to assemble information that the government already has. The FedConnect site can be fragile and has a 25Mbt file size limit, making it unnecessarily difficult and time consuming to upload these files. It also likely adds additional burden on evaluators to independently confirm that the documents are complete, correct, and accurate. Section L-8 (a)(2)(ii) states “The Offeror shall not submit the information required at Sections L-9(c), L-9(d), and L-10 (c), Criterion 3, Past Performance, for team members with a proposed work scope less than \$50 million over the Base Period. We recommend changing

from “shall not submit” to “is not required to submit.” This would allow bidders the option to explain, and NNSA the opportunity to evaluate, specialty past performance of team members.

ANSWER: NNSA appreciates the feedback, however, the Government will keep the language in Section L-8 (a)(2)(ii) as is.

131. RFP Vol. II, Section/Part L-10(c)(4), Title Criterion 3: Past Performance, Page No. L

16: We note that the number of past performance projects allowed is allocated per parent or subcontractor organization based on the organization of the Offeror. This may advantage teams that must propose multiple team members to ensure they can appropriately address all aspects of the mission and RFP. Equally, this would disadvantage teams who are able to achieve mission objectives with fewer participants, based on the strength and breadth of talent and experience in their parent organizations. As such, we’d suggest allowing for a total number of past performance projects to be featured as an overall limit for the Offeror’s team as a whole, rather than limiting them per participant.

ANSWER: The Government appreciates the feedback; however, the Government has determined the number of past performance projects/records will remain allocated by proposed Team Member.

132. Bidding Assumptions for Transition, Reference L-11(a)

“The Offeror shall use Section L, Attachment H – Price and Fee Spreadsheet, “CLIN 0001 Transition FFP” Excel tab to display its proposed firm-fixed-price for Transition.”

Feedback

Please provide bidding assumptions on the state of site separation between Pantex Plant and Y-12 National Security Complex.

Rationale

1. To develop a firm-fixed price estimate, offerors need definite assumptions on the state of business systems, benefits plans including retirement, information technology systems, and services shared between Pantex and Y-12.
2. The more specific and comprehensive the assumptions provided, the more comparable offerors’ estimates will be, and the lower the contingency they will include.

ANSWER: Information regarding site separation will be provided in the reading room as it becomes available. In addition, CLIN 0001 will be cost reimbursable, with a not to exceed ceiling of \$13M and no fee.

133. RFP Vol. III, Section/Part L-11(b), Title Fee for Management and Operating Pantex, Page No. L 18:

What is the basis for excluding “carry-over funding” from predecessor contractors from the fee base? Such unspent amounts would be the work scope to be executed by the Contractor and, as such, the Contractor should be entitled to be reasonably compensated for such efforts.

ANSWER: NNSA’s annual budget formulation accounts for all scope planned for performance execution in the coming year. The first-in-first out costing of funding is not anticipated to have a material impact on performance execution.

134. L-11(b) Fee for Management and Operating of Pantex

Fixed Fee % - We request an increase from 15% to 50% as the ceiling on fixed fee. This is consistent with DOE’s September 2022 report entitled “Evolving the Nuclear Security Enterprise” that suggests that “award fee should be dramatically reduced and attached to only those tangible and high priority areas within the contract, as reflected in the Performance Evaluation and Measurement Plan (PEMP) or eliminated and replaced with a fixed fee.”

ANSWER: NNSA’s determination of the Fixed Fee ceiling is consistent with the requirements of DEAR 970.1504-1-6. NNSA determined the current fixed fee and award fee maximums provide a balance of fee stability and performance incentive for the prospective award.

135. Fee for M&O (Section L-11 (b)) – We recommend that the forecasted annual fee formulas are modified back to 13%, similar to the recent Combined NNSA Y12 Pantex M&O Program Acquisition. This increase to 15% in the Draft RFP is a meaningful financial detriment to the Offeror, given this exclusion rate will be set for the entirety of the Contract and not allowed to be based on actual and not subject to change based on actual performance costs. The above 15% reference is to the footnote 1 on the bottom of Section L, Page 18.

ANSWER: The 15% exclusion rate is NNSA’s most current estimate based on the Department of Energy Acquisition Regulation (DEAR) Supplement 970.1504-1-7 required fee base exclusions. No changes will be incorporated into the RFP.

136. L-11(b)-Fee for M&O, Page 17: The proposed TAF shall not exceed 3.25% of the forecasted fee base for each Contract Period”

Comment: There are many variables that determine our proposed fee rate. Market conditions today created by the Infrastructure Act, Inflation Reduction Act, and private sector investments in green energy (nuclear, hydrogen, wind) have generated significant industrial work, causing large industrial companies to focus in areas that are most profitable. The skill sets of the companies and key personnel that can perform this work to NNSA standards may not participate at the current fee rates NNSA has set in recent competitions. In addition, it is imperative the proposed fee rate and structure are sufficient to provide incentives for 1) meeting mission requirements, 2) delivering projects on schedule and budget, and 3) attracting and retaining the best staff. We are willing to put fee at risk for particular projects and investing back fee for incentives to attract key personnel, workforce development, training, etc. However, to accommodate these situations, an appropriately sized fee pool needs to be available. We believe the benefits of this could be significant for NNSA, as it properly incentivizes both the contractor and site personnel.

Recommended Change to Draft RFP: Change 3.25% to 5.00% “The proposed TAF shall not exceed **5.00%** of the forecasted fee base for each Contract Period”

ANSWER: NNSA’s determination of the fee ceiling is consistent with the requirements of DEAR 970.1504 and are aligned with the level of risk acceptance expected for contract performance.

- 137. Approach to Total Award Fee:** Please reconsider the total award fee ceiling as discussed above in Section 2.1 and increase it to at least 6% in alignment with other recent DOE contracts.

ANSWER: NNSA developed the maximum fee rate in accordance with the provisions in the DOE Fee Policy within the DEAR 970.1504-1-2. No changes to the maximum fee rate are incorporated into the final RFP.

- 138. L-11(b)-Fee for M&O, Page 17:** “The Offeror may propose a portion of the TAF as Fixed Fee. Fixed Fee shall not exceed 15% of the 3.25% TAF ceiling rate.”

Comment: We have reviewed the Enhanced Mission Delivery Initiative and believe the recommendations on the whole will enhance NNSA’s ability to meet near and mid-term deliverables and ensure the long-term sustainability of the NSE. We believe the recommendation related to moving to a fixed fee approach would better align NNSA and the contractor. Here are a few quotes from the EMDI report that we can cite. “First, the award/performance fee was not a motivator for the vast majority of workforce across the enterprise and the award fee was not motivating to the highest levels of the laboratory and plant/site leadership.” “The award fee should be dramatically reduced and attached to only those tangible and high priority areas within the contract, as reflected in the Performance Evaluation and Measurement Plan (PEMP) or eliminated and replaced with a fixed fee.” The 15% not to exceed fixed fee does not seem to be in agreement with this recommendation. Moving to 50% would still allow “tangible and high priority areas” to be assigned award fee.

Recommended Change to Draft RFP: Change 15% to 50%. “The Offeror may propose a portion of the TAF as Fixed Fee. Fixed Fee shall not exceed **50%** of the 3.25% TAF ceiling rate.

ANSWER: NNSA’s determination of the Fixed Fee ceiling is consistent with the requirements of DEAR 970.1504-1-6. NNSA determined the current fixed fee and award fee maximums provide a balance of fee stability and performance incentive for the prospective award.

- 139. L-11(b)-Fee for M&O, Pages 17 and 18:** Annual Forecasted CLIN 0002 Budget*(1-0.15) / (1 + Proposed TAF Fee%). The deduction for exclusions represents 15% of the total annual budget based on historical cost incurrence under the existing Y-12/Pantex contract. The excludable costs consist of taxes, utilities, facility leases, and 30% of subcontracts and procurements. This exclusion rate will be set for the entirety of the Contract and is not subject to change based on actual performance costs.

Comment: The 15% exclusion seems high, and given that as stated this rate will not change over the course of the contract it is important to understand these amounts excluded from fee. At the Site Visit, it was presented that in 2022, Pantex had about \$266 million in subcontracts and procurements. The 30% equates to a significant exclusion of budget from fee. Can NNSA provide details as why 30% of the subcontracts are in the excludable costs?

ANSWER: DEAR 970.1504-1-7 requires that at least 20% of the price of subcontracts to be excluded and up to 100% depending on the magnitude or nature of the effort required of the contractor. NNSA's internal analysis suggests 30% to be fair and reasonable.

140. RFP Vol. III, Section/Part L-11(d), Title Fee for Management and Operating Pantex, Page No. L 19: Is it the intent that the ongoing capital projects continue to be included in CLIN0002 or will they be moved into CLIN0004? If moved to CLIN0004, how will the NNSA propose to set the fee basis for each of these ongoing projects?

ANSWER: NNSA intends to include ongoing capital projects under CLIN 0002; however, NNSA reserves the right to separately select individual Capital Construction Projects for inclusion under CLIN 0004 where appropriate. Fee will be negotiated based on project risk and complexity subject to the limitations of 48 CFR 915.404-4-71.

141. RFP Vol. III, Section/Part L-11(d), Title Fee for Management and Operating Pantex, Page No. L 19: For new line item (and other) construction projects, does the NNSA have an expectation on what the fee basis might be?

ANSWER: NNSA anticipates establishing fee for CLIN 0004 capital construction projects in accordance with 48 CFR 915.404-4-71.

142. Section L, Provision L-10 Proposal Preparation Instructions Volume II, Technical and Management Information: *Contains new instructions, such as submission of a technical approach.*

We request that NNSA revisit the allowability of salary and executive incentives for Key Personnel based on offeror justification backed by market survey data. In particular, we refer to the clause used in the recent RFP for the Hanford Integrated Tank Disposition Contract. In that RFP at Section L, L-10(m), the offeror is instructed on submittal of information post-award to the contracting officer to accommodate a determination of cost allowability. Please consider adding this clause and requirement to the final RFP for Pantex M&O.

ANSWER: The Government appreciates the feedback; however the Government intends to keep the RFP as is.

Sec L – Attachment D – Cross Reference Matrix

- 143. RFP Vol. II, Section/Part Section L, Title Attachment D - Cross Reference Matrix, Page No. LD 1:** Section L, Attachment D, Cross Reference Matrix uses different notation than sections L-10 and M-4, e.g. the Cross Reference Matrix cites M-4 (b) (1) which seems to refer to M-4, Criterion 2, 1. Please provide consistent notation to ensure compliance with requirements.

ANSWER: The Government updated RFP Section M-4.

Sec L – Attachment E – Past Performance Info Form (PPIF)

- 144. RFP Vol. II, Section/Part L-8(e)(2), Title Font and Spacing, Page No. L 7:** “text contained in all volumes shall be in Times New Roman text no smaller than size 12 font.” Does this 12-point Times New Roman text requirement apply to the Past Performance Information Form (PPIF) provided in Section L, Attachment E as well? Will the NNSA consider the use of Times New Roman size 11 or 10 when filling out the PPIF forms?

ANSWER: The PPIF is a form not a table; therefore, use of size 12 font is appropriate. Please note, Section L, Attachment E, PPIF Page 2 states “If more space is needed, please attach additional pages.” RFP Section L-8(d)(6) states “Section L, Attachment E - Past Performance Information Forms (PPIF) and attached additional pages (limited to eight (8) pages per PPIF, including any additional pages).”

- 145. L-8(e)(2):** Part IV Section L, Attachment E, Past Performance Information Form, Section L-8(e)(2) of the Solicitation states that “The font size in graphs, figures, charts, and tables may be smaller than size 12 font and in a font other than Times New Roman; however, the font used shall be clearly legible and no smaller than size 8.”

Suggestion: Because the Past Performance Information Form is structured in a table format, may Offerors use a font smaller than size 12 when completing these forms? In addition, and relating to formatting of the Past Performance Information Forms, may Offerors exclude the headers 1 – 14 from the form?

ANSWER: The Past Performance Information Form (PPIF) is a form not a table; therefore, use of size 12 font is appropriate. The headers in sections 1-14 of the Past Performance Information Form may not be excluded. Please note, Section L, Attachment E, PPIF Page 2 states “If more space is needed, please attach additional pages.” RFP Section L-8(d)(6) states “Section L, Attachment E - Past Performance Information Forms (PPIF) and attached additional pages (limited to eight (8) pages per PPIF, including any additional pages).”

- 146. Section L, Attachment E-Past Performance Information Form (PPIF)**

Comment: As safety is paramount to all that is done at Pantex, safety information from potential Offeror’s should be provided and evaluated. Section L Attachment E

should add two sections that request the following information:

Recommended Changes to Draft RFP Add an element/block on the PPIF to provide the following:

- Safety statistics: provide DART, TRC rates, hours worked and any fatalities for the company (Identified in #1 above) on the Reference Contract by GFY completed within the last 4 years of the solicitation issuance date
- For the Reference Contract, identify any enforcement actions and/or worker safety and health, nuclear safety, and/or classified information security incidents or notifications within the last 4 years of the solicitation issuance date and corrective actions taken to resolve those problems

ANSWER: NNSA does not intend to revise the PPIF; however, an offeror may include past performance information which it feels will highlight how the work performed is relevant to the SOW.

147. RFP Vol. II, Section/Part Section L, Title Attachment E - Past Performance Information Form, Page No. LE 3: The customer's title is not included in Item 3. Should their title be included?

ANSWER: No, the customer's title is not required in Item 3 of the PPIF.

148. Section L, Attachment E, Page 1 – Item 12a. This section appears to contain language carried over from the prior Pantex/Y-12 RFP. It states: "12a. Proposed SOW Task Area(s) to be performed (Offerors may also explain how the past work relates to the scope of work proposed for the team member, include Section # from Statement of Work - Chapter II Work Scope Structure and Chapter IV Interfaces for Uranium Processing Facility). *Please amend the section to refer to only the current procurement.*

ANSWER: NNSA has updated Section L Attachment E.

149. Section L, Attachment E. Past Performance Information Form. Volume II Page 9 The *PPIF (section L Attachment E Past Performance Information Form). requires DUNS numbers, but in April 2022, the federal government stopped using DUNS numbers in favor of UEI numbers. Should Offerors provide UEI numbers in PPIFs instead?*

ANSWER: NNSA has updated Section L Attachment E to reflect UEI.

Sec L – Attachment G – Letter of Commitment

150. RFP Vol. II, Section/Part Section L, Title Attachment G – Letter of Commitment, Page No. LG 1: "My proposed total annual compensation ("compensation" is defined in 41 § U.S.C. 1127(a) (3)) as the [INSERT KEY PERSONNEL POSITION] for [NAME OF OFFEROR] is [insert value], which includes a base salary of [INSERT VALUE]." Should financial information be included in Volume II?

ANSWER: The letters of commitment for Key Personnel should be included in Volume II and should include the information required in the Letter of Commitment template in Section L, Attachment G, Letter of Commitment.

Sec L – Attachment H – Price and Fee Spreadsheet

151. RFP Vol III, Section/Part Section L, Attachment H – Price and Fee Spreadsheet: We note that the draft RFP allows the offerors to propose fee percentages as long as they do not exceed the provided ceilings. Allowing offerors to propose the fee values may result in some, who may have an interest in a total revenue booking, providing a low fee percentage, which will later influence their application of key talent and parent company engagement and reach back resources throughout the contract to the detriment of the mission. To avoid this, it is suggested that the NNSA fix the fee percentages to ensure it receives the best of all offerors on an ongoing basis throughout the life of the contract.

ANSWER: FAR 15.304(c) requires that price or cost be evaluated in every source selection, and therefore no changes will be made relative to this section in the RFP.

152. Section L Attachment H Price and fee Spreadsheet Volume III The Contract Transition Period CLIN will be Firm-Fixed-Price and the Fee structure of each CLIN is detailed in Section L, Attachment H - Price and Fee Spreadsheet. *Can NNSA provide details of planning for separation activities to understand transition requirements. The DRFP does not require a transition plan which makes it difficult to bound risk of fixed price for CLIN 1*

ANSWER: NNSA intends to provide information on site separation in the reading room. CLIN 0001 will be cost reimbursable, with a not to exceed ceiling of \$13M and no fee.

153. Section L, Attachment H Price and Fee Spreadsheet, Contract Transition Period CLIN 0001. The Contract Transition Period CLIN will be Firm-Fixed-Price and the Fee structure of each CLIN is detailed in Section L, Attachment H - Price and Fee Spreadsheet.

The DRPF does not require a Transition Plan. Would the Government please provide planning details for separation activities so Offerors better understand transition requirements and can accurately price Transition? What services are planned for transfer from the Incumbent contractor to the Awardee during transition?

ANSWER: Information regarding site separation will be provided in the reading room. CLIN 0001 will be cost reimbursable, with a not to exceed ceiling of \$13M and no fee.

154. Section L, Attachment H – Price and Fee Spreadsheet: We agree with the Firm-Fixed-Price structure of the transition period (CLIN 0001). However, we recommend that the transition cost with a maximum amount of \$11.5M be excluded from the overall cost evaluation. Including the transition cost as part of the cost evaluation could unfairly benefit the incumbent. We recommend applying a plug amount for evaluation purposes to ensure parity among offerors.

ANSWER: NNSA appreciates the feedback, however, NNSA intends to include the transition price within the total evaluated price. CLIN 0001 will be cost reimbursable, with a not to exceed ceiling of \$13M and no fee.

155. CONTRACT TRANSITION PERIOD, RFP Instructions: The Contract Transition Period CLIN will be Firm-Fixed-Price and the Fee structure of each CLIN is detailed in Section L, Attachment H - Price and Fee Spreadsheet.

We request that the transition cost (max. \$11.5M) should be excluded from the overall cost evaluation.

We agree with the Firm-Fixed-Price for the duration of the transition period (CLIN 0001), as this has been a reoccurring addition to recent NNSA contracts and ensures contractors deliver on their promise out of the gate.

Using the transition cost as a functional scoring element of the cost evaluation could unfairly benefit the incumbent due to their existing site presence and informed knowledge of site separation activities.

ANSWER: NNSA appreciates the feedback, however, NNSA intends to include the transition price within the total evaluated price. CLIN 0001 will be cost reimbursable, with a not to exceed ceiling of \$13M and no fee.

Sec L – Attachment I – Offeror Information

156. RFP Vol. II, Section/Part Section L, Title Attachment I – Offeror Information, Page No. LI 1: Column 3 is DUNS Number. Should this be UEI?

ANSWER: Yes, Section L Attachment I is updated to reflect UEI.

Sec L – Attachment J – SB Subcontract Dollars Percentages

157. L-9 part (e) - States goals will be entered for FY25-FY-45 but Section L Attachment J says FY24-FY43., please clarify. Also gives a site for Pantex current goals/performance however no data is currently available on that page for this, will this be coming later?

ANSWER: NNSA updated Section L-9(e) and Section L, Attachment J accordingly. The Government will provide current small business subcontracting goals with the final RFP.

Sec M – Evaluation Factors for Award

158. Section M, Provision M-4 Technical and Management Criterion: *NNSA is considering evaluating technical approach as the most important Criterion and holding Oral Presentations as part of Criterion 2.*

We agree with NNSA's proposed evaluation weighting for Technical Approach and Key Personnel criteria, as well as holding orals as part of the Key Personnel criterion. We believe that the technical approach to the statement of work is the most important aspect of the proposal. But for the technical approach to be effectively implemented, the Key Personnel must demonstrate their qualifications and abilities to execute it. Corporate past performance is correctly positioned as the next evaluation criterion as it demonstrates that the offeror has the corporate ability to deploy proper Key Personnel to execute a technical approach.

We ask that the NNSA add more specific information regarding oral presentations to the final RFP. Key Personnel preparation for orals is critical and will be more productive if offerors have specific information on types of questions or topics for discussion that NNSA intends to use. The topics listed in the DRFP seem to be generalized. It is understood that the impromptu nature of oral presentation questions is to evaluate the true capabilities of Key Personnel, but we believe more specific information about what to expect other than general sections outlined in the SOW will provide for more intuitive responses. NNSA benefits from having Key Personnel teams as fully prepared as possible so that their evaluations are straightforward.

ANSWER: Oral presentations will involve technical/managerial problems representative of the activities in the Statement of Work (Section J, Appendix A) with emphasis on some or all of the following: both near-term and long-term nuclear facility operations including integration of safety, security, quality and modern information technology into operations; protection of the public, the workers, and the environment; infrastructure and capital projects completion; Mission Deliverables completion; Contractor Assurance System implementation and Administrative Cost control.

159. Section M, Criterion 2: Key Personnel Team and Orals Presentation Page 3 This section stipulates "Proposed key personnel who are under a service commitment for the performance of another NNSA M&O contract at the projected time of award (i.e. Date TBD) shall be disclosed. NNSA may consider the impact of a break in service commitment across the NSA while evaluating the offeror's proposal. What is the definition of "service commitment"? Does this refer to key personnel commitments bound by contractual clauses on another contract? If different from key personnel contractual requirements, please clarify how impact on NSE will be evaluated when comparing multiple offers with proposed key personnel.

ANSWER: NNSA removed the reference to service commitment in M-4 Criterion 2.

160. Section M-4 Technical and Management Criteria, Criterion 2: Key Personnel Team and Orals Presentation, page no. 3. This section states, "Proposed key personnel who are

under a service commitment for the performance of another NNSA M&O contract at the projected time of award (i.e., Date TBD) shall be disclosed. NNSA may consider the impact of a break in service commitment across the NSA while evaluating the offeror's proposal."

Would the Government please clarify the definition of "service commitment"? Does this refer to key personnel commitments bound by contractual clauses on another contract?

If different from key personnel contractual requirements, please clarify how impact on the NSE will be evaluated when comparing multiple offers with proposed key personnel.

ANSWER: NNSA removed the reference to service commitment in M-4 Criterion 2.

161. RFP Vol. II, Section/Part M-3, Title Criterion 3: Past Performance, Page No. M 4:

What period of relevancy will the NNSA use in evaluating other sources of past performance information? (e.g., within 5 years from issuance of the final RFP, the life of the contract)

ANSWER: The Government will evaluate performance that occurred within the five year period preceding the RFP release date.

162. RFP Vol. II, Section/Part M-4, Title Criterion 4: Small Business Participation Small Business Plan, Page No. M 5:

There is no guidance provided for small business goals other than not less than the current plan. Please clarify what criteria should be utilized for small business goals.

ANSWER: The Government will provide historical small business subcontracting goals in the reading room.

163. Section M, Provision M-4 Technical and Management Criterion

We recommend that NNSA provide specific information about Pantex small business goals. One area of concern that we have within Section M is related to the ultimate small business goals and requirements. In Section M, Criterion 4 we have noted it makes reference to the current site goals as to what the evaluation will be graded against, and L-9(e) states info will be provided on a website as to their goals. Our understanding is that Pantex currently has no separate site goals apart from Consolidated Nuclear Security and given the spend profiles of the sites are vastly different.

ANSWER: The Government will provide historical small business subcontracting goals in the reading room.

164. Section M, Page 5. Criterion 4: Small Business Participation. Page 5

This section includes the following sentence: "Offerors that do not propose small business subcontracting goals that are at least commensurate with current site goals may be adversely rated under this criterion." *Please provide the current site goals to all bidders.*

ANSWER: The Government will provide historical small business subcontracting goals in the reading room.

165. Small Business Goals, Reference M-4 Technical and Management Criteria, Criterion 4

“The Government will evaluate the effectiveness of the Offeror’s approach to utilize small businesses and the extent of small business concern participation...Offerors that do not propose small business subcontracting goals that are at least commensurate with current site goals may be adversely rated under this criterion.”

Feedback

Please provide the current Pantex Plant goals for and achieved small business participation.

Rationale

1. This information is essential to developing a satisfactory response to the requirement.
3. As this information is otherwise only available to offerors who are members of the incumbent team, failure to provide it could be used as grounds for protest.

ANSWER: The Government will provide historical small business subcontracting goals in the reading room.

166. RFP Section M / M-4 Technical and Management Criteria / Criterion 4: Small Business Participation, Section M Page 5.

Question: Section M, Section M-4 for Criterion 4 states: “Offerors that do not propose small business subcontracting goals that are at least commensurate with current site goals may be adversely rated under this criterion.” Please provide the Pantex current site goals for small business participation.

ANSWER: The Government will provide historical small business subcontracting goals in the reading room.

167. Volume II, Section M, Evaluation Factors M-4. Technical and Management Criteria

10 (d) Criterion 4.: Small Business Participation. Page16 NNSA stated that it will evaluate “effectiveness of offerors approach to utilize small business.” *Can NNSA clarify the definition of effectiveness in terms of how the approach will be evaluated? Our interpretation of effectiveness as it applies to utilization of small business is “how the offeror provides meaningful work in executing the scope of work and meeting contract objectives while exceeding all SB goals”. We recommend clarifying definition of effectiveness.*

ANSWER: See changes to Section M-4(d).

168. Criterion 4: SB Participation

As currently structured, this Criterion does not enable differentiation between bidders. Because the technical and management approach is the most heavily weighted Criterion, it is appropriate to require discussion of meaningful involvement of small businesses in execution approach. The current procurement and supply chain conditions and the restrictions of the

classified environment of the Pantex scope make ensuring meaningful nature of their participation more challenging than in past contract periods and a crucial factor to consider. We recommend restoration of the requirement to demonstrate the approach “meaningful” involvement of small businesses to distinguish best value to the mission.

ANSWER: NNSA appreciates the feedback, however, the Government intends to include Criterion 4 Small Business Participation within the Section M Evaluation Factors for Award.

- 169. M-5:** Section M-5, page 5, first paragraph states, in accordance with FAR Part 15.404-1 (g), the Government will analyze the proposed CLIN and annual pricing for balance and may reject an offer if the Contracting Officer determines that the lack of balance poses an unacceptable risk to the Government.

Suggestion: Please clarify the CLIN being referenced or remove if this was included in error.

ANSWER: Section M-5 has been updated to reflect proposed line items.

- 170. Contract Fee Structure and Transition Period:** *The Contract Transition Period CLIN will be Firm-Fixed-Price and the Fee structure of each CLIN is detailed in Section L, Attachment H - Price and Fee Spreadsheet.*

We believe the CLIN fee structures of each individual section (CLIN 0001 – CLIN 0004) are appropriate for each different line of work. We appreciate NNSA’s approach to a hybrid fee structure for the M&O during the base period and proposed option years (CLIN 0002), where the Fixed Fee is limited to 15% of the maximum total award fee of 3.25%. We believe the M&O contractor will produce most efficiently in an environment where they receive fair incentives for quality work, and this is granted through the award fee structure. We also agree with the decision to assess which fee structure works best for each capital construction project on an individualized basis (CLIN 0004). The capital projects listed in the SOW encompass unique expectations, so we believe it is wise to determine a fee based on the resources and workforce allotment needed for each project.

We agree with the Firm-Fixed-Price structure of the transition period (CLIN 0001), and notes that it has been included in recent NNSA contracts. However, we request that the transition cost (maximum \$11.5 million) be excluded from NNSA’s overall cost evaluation for proposals. The inclusion of transition cost as an evaluated cost criterion provides the wrong incentive to offerors. Contractors may bid an artificially low transition cost to win the contract but could then struggle to provide the proper resources during transition performance in order to keep their costs within their bid price. To combat this, eliminate the transition cost as a part of the cost evaluation, which also levels the playing field between new bidders and the incumbent.

ANSWER: NNSA appreciates the feedback, however, NNSA intends to include the transition price within the total evaluated price. In addition, NNSA anticipates CLIN 0001 to be cost reimbursable with a ceiling not to exceed \$13M and no fee.

Procurement Schedule

171. General Comment: The Notional Pantex Procurement Schedule contained in the Request for Information has 45 days from Final RFP Issued until Proposals Due. We believe given the size of this procurement and the importance of getting team members and key people in place that 60 days might be more appropriate.

ANSWER: The Government appreciates the feedback and will allow 60 days for Offerors to respond to the RFP.

172. Section L-13 and Proposed Acquisition Schedule –

We appreciate the approach to schedule and that NNSA is requiring more rigor and discipline. We agree that the prompt acquisition schedule, and adherence to it, will benefit mission because expediting will reduce distraction to mission and operations of multiple concurrent procurements during upcoming critical program events and enabling activities. However, major corporate decisions are not finalized on a Draft RFP but are dependent on the content of the Final RFP. Setting up a legal entity and corporate functions takes time and cannot be initiated until Final RFP release. During that period of time, bidders are at the mercy of government agencies who have no incentive to accelerate, for example entity name registrations and certificates of formation from state governments, Unique Entity Identifier/SAM registration, taxpayer identification numbers, and other requirements. We request allowing 60 days between issuance of the Final RFP and submittal due date.

ANSWER: The Government appreciates the feedback and will allow 60 days for Offerors to respond to the RFP.

Site Separation (not captured elsewhere)

173. DRFP Announcement Other information for Prospective Offerors Page1 as noted in the Request for Information (RFI) issued on January 27, 2023, and the DRFP Announcement “the successful Offeror for the Pantex M&O Contract competition will potentially be required to participate in site separation activities”. *Details concerning transition of cybersecurity, IT and any other services from the consolidated Y-12/Pantex contractor to a stand-alone contractor for each plant would provide valuable insight that would ensure open and fair completion and allow offerors to respond to NNSA planned bifurcation approach. For example, will procurement responsibility be transferred to the Pantex M&O contractor at transition? —what other services are planned for transfer during contract transition and beyond?*

ANSWER: Information regarding site separation will be provided in the reading room. In addition, NNSA anticipates CLIN 0001 to be cost reimbursable, no fee. Revisions will be included in the final RFP.

174. Will there be more information presented regarding the decoupling of the current Y-12/Pantex coupled structure? – The uncertainty regarding how the Y-12/Pantex contract will

be decoupled is a concern because it prevents us from fully planning for the contract transition period. We request that the decoupling information be made available in the reading room as soon as possible to enable competitors to develop detailed transition plans and cost estimates.

ANSWER: Information regarding site separation will be provided in the reading room as it becomes available.

175. Provide any available and specific detail regarding the approach on Y-12 and Pantex decoupling.

ANSWER: Information regarding site separation will be provided in the reading room as it becomes available.

Other

176. General: We highly recommends that current/applicable Collective Bargaining Agreements (CBA) for the ProForce be provided to all offerors as part of the final solicitation release. Releasing the CBA(s) provides greater insight into the organized workforce, potential rotational schedule restrictions, workforce benefits, and labor management practices, enabling offerors to appropriately account for current work practices in accordance with governing labor law.

ANSWER: NNSA will provide CBAs in the Reading Room.

177. Please provide the industry site visit presentation and list of attendees.

ANSWER: NNSA posted the Pantex Overview Public Brief , Pantex Facility Descriptions, Pantex Site Visit Attendee List, and Site Visit Q&A to SAM.gov, FedConnect, and the NNSA Pantex Plant M&O Contract Competition website.

178. We are concerned that the National Nuclear Security Administration's DRAFT RFP for the management and operation of the Pantex Plant fails to address or contemplate the future use of nuclear energy to power this critical national security asset. The U.S. Department of Defense has begun to convert its critical national security facilities such as the Eielson Air Force base in Alaska from fossil to nuclear energy, and has engaged the U.S. Department of Energy's Idaho National Laboratory to help develop the capability for micro reactors called Project Pele for use initially at U.S. military facilities. There exists glaring and obvious precedent from recent environmental and weather-related impacts to begin to shift the NNSA infrastructure from natural gas to clean, zero-emission and, most importantly, reliable nuclear energy.

The NNSA's Pantex Plant in Amarillo, Texas is the Nation's assembly and disassembly facility for U.S. nuclear weapons necessitating secure, reliable clean energy to run its complex operations. Unfortunately, reliable energy has not always been available, affecting national security operations. According to the NNSA's March 21, 2021 press release:

“Like other regions of Texas, the Amarillo area and Pantex Plant endured unprecedented winter weather Feb. 13-18, with record low temperatures impacting the site. Pantex responded quickly to the dangerous conditions by cancelling work shifts, reducing energy consumption, and evaluating freezing temperature-related damage to facilities.... During the storm, we had to change the fuel that the boilers were running on from natural gas to diesel fuel,” said Joe Papp, senior director Pantex Engineering. “This took a lot of work as we have not run the boilers on diesel fuel in a long time. I am proud of the team for pulling together on this effort.”

Shipments of diesel fuel were delivered to the Plant in 7,500-gallon increments throughout the week and beyond to fuel many, but not all, of the Plant’s boilers as deemed necessary to reduce reliance on natural gas, which was then in short supply.... Other energy-related efforts included de-icing and returning the site’s five wind turbines to operation to feed the Plant’s electric grid and keep supplying renewable energy to further reduce load on fossil fuels. The turbines are the first in the NNSA enterprise and typically generate about 60 percent of the Plant’s power needs with a combined cost savings of \$2.8 million annually.”

Pantex reliance on natural gas, with diesel backup for power combined with wind turbines that froze to a standstill during this Polar Vortex is not the solution for clean, reliable and consistent energy to power and provide process steam for this critical national security asset. We urge the NNSA to include small nuclear technology in its RFP so that you can at least optionally consider converting the Pantex Plant over the next 5-10 years to clean reliable nuclear energy through micro or small modular reactors consistent with the NNSA new Energy Resilient Infrastructure and Climate Adaptation (ERICA) initiative established to “improve mission delivery resilience”.

According to the *U.S. Department of Energy Climate Adaptation and Resilience Plan: 2022 Progress Report*, the ERICA “initiative will be a critical element of NNSA’s multi-faceted strategy to identify, prioritize, and implement infrastructure investments that increase energy resilience, energy security, and sustainability in support of the agency’s national security missions. Pending appropriations, ERICA will start in fiscal year (FY) 2023 and include various types of projects including renewable energy generation, battery storage, and other power and water system upgrades.”

We urge the NNSA through ERICA to include in the final Pantex RFP through the Statement of Work the appropriate financial incentives for planning and converting from natural gas power to a small modular reactor or micro nuclear power, consistent with plant demand and operational requirements, as the leading source of zero-emission and reliable power for the Pantex Plant within the first ten years of the proposed contract term.

ANSWER: NNSA appreciates your feedback.